

Romania: State and Fondul Proprietatea renewed agreement on Hidroelectrica's IPO

Categories : [SEE Energy News](#)

Date : May 17, 2016

The company's legal administrator Remus Borza said in February that the initial public offering (IPO) of the company's shares will most likely take place in November 2016 if the company exits insolvency in May or June. According to his recent announcements, it is possible that Hidroelectrica will exit insolvency in mid-May.

Shareholders in Romanian electricity producer Hidroelectrica, Romanian state and private investment fund Fondul Proprietatea have signed an agreement with Raiffeisen Bank and Morgan Stanley which establishes the resumption of the obligation under the Engagement Letter for Hidroelectrica's initial public offering (IPO).

The Engagement Letter was signed in February 2014 and it appointed Raiffeisen Bank and Morgan Stanley as intermediaries for the company's listing in the capital market. However, this document was suspended in June 2014 because the company re-entered insolvency proceedings, which prevented the fulfillment of objectives in accordance with the initial timetable.

Manager of Fondul Proprietatea Greg Konieczny said that this resumption of obligations under the Engagement Letter is the crucial step towards the listing of Hidroelectrica at the Bucharest Stock Exchange. He believes that this will be the largest IPO of the year in Central and Eastern Europe, as well as the largest transaction in the history of the local capital market.

The listing of Hidroelectrica would also be the first IPO of state-owned company in Romania in the last two years. Besides the 15 % of the shares that the state has committed to list at the IPO, it is very likely that Fondul Proprietatea intends to sell 5 % of its stake in the company during the IPO, as well as additional 3.74 % stake which represents the subscription rights that Fondul Proprietatea has in the share capital increase process.

The company's legal administrator Remus Borza said in February that the initial public offering (IPO) of the company's shares will most likely take place in November 2016 if the company exits insolvency in May or June. According to his recent announcements, it is possible that Hidroelectrica will exit insolvency in mid-May.

Romanian state owns 80 % stake in Hidroelectrica through the Ministry of Energy, while private investment fund Fondul Proprietatea owns the remaining 20 % of the company's shares, transmits [Serbia-energy.eu](https://serbia-energy.eu)