
Oversubscription of Saudi Steel Pipe Company IPO

Thursday, 02 Jul, 2009

GIB Financial Services announced that as of close of business on Monday, 29th June 2009, the retail tranche of the initial public offering of Saudi Steel Pipe Company had been covered by 150% of the maximum offering to retail investors, which constituted up to 7.65 million shares, representing a maximum of 50% of the offering to the public.

GIBFS stated that this first premium IPO in the Kingdom of Saudi Arabia in 2009, after the brunt of the credit crisis has been extremely successful, confirming the solidity of the Saudi economy, the confidence in SSP and the resilience of the Saudi market.

Institutional investors had already covered the IPO by 120% at the price of SAR 25 per share. The retail subscription period for the IPO started on Saturday, June 27th 2009 and will continue until Friday, July 3rd 2009.

SSP is considered one of the leading steel pipe manufacturers in the region. The Company has a leading market share in Saudi Arabia and has over 28 years of operating experience in the steel pipe industry. The Company's products are used in a diverse range of industries, especially in the oil and gas sector.

Eng. Riyadh Al Rabea VC and MD of SSP said that the shareholders of the company have always been confident about GIB Financial Services' capability to bring this IPO to a success. This is a capital increase IPO and the Company will use all the proceeds for expansion of existing production facilities and investments in new plants so as to meet growing demand and also to enhance SSPSSP Loading's product offering. He added that these projects will not only strengthen SSPSSP Loading but will also create job opportunities for Saudi nationals in an organization that believes in rewarding its employees for their services.

Dr Yahya Alyahya CEO of Gulf International BankGulf International BankLoading and Chairman of GIBFS said that the key behind GIB Loading successful track record is its commitment to clients' interests and requirements. He stated that success in investment banking comes from the reputation that GIBGIB Loading has gained through continuous and exhaustive efforts during the last 30 years in maintaining the interests of clients and markets as a priority.

The SSP IPO comes among a string of successes for GIBFS in the field of financial advisory. In 2008, GIBFS was the exclusive financial advisor for the IPOs of Abdulla Al Othaim Markets Company and Halwani Bros. Company. GIBFS was established in 2008 by carving out the investment banking business of Gulf International BankGulf International BankLoading, the pioneer merchant bank in the GCC, into a separate legal entity licensed by the CMA

For more news visit at www.steelguru.com