
voestalpine gets state loan guarantee worth EUR 300 million

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Reuters reported that Austrian steelmaker voestalpine has received a state loan guarantee of EUR 300 million to help it through the credit crunch. The loan for which voestalpine got the guarantee has a 5 year tenor and costs 4.5% in interest.

The group received a guarantee for the maximum amount possible from the Austrian government which has set aside as much as EUR 10 billion of loan guarantees for Austrian companies in the crisis.

A company spokesman said that voestalpine asked for the government help as a provisional measure to ensure liquidity. voestalpine had no urgent liquidity problems.

Unlike other Austrian companies such as brick maker Wienerberger, Voestalpine has ruled out a capital hike to boost its balance sheet.

Mr Wolfgang Eder CEO of voestalpine last month ruled out a rights issue for the next 12 to 18 months. voestalpine got shareholder permission at its last annual general meeting to issue as much as EUR 2 billion worth of new stock.

(Sourced from www.reuters.com)

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