
Pulawy not buying stake in Polish coal group Bogdanka

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Bloomberg reported that Zaklady Azotowe Pulawy SA abandoned its plan to buy a stake in Lubelski Wegiel Bogdanka SA after getting no response to a bid during the Polish coal producer's initial public offering.

Mr Pawel Jarczewski CEO of Zaklady Azotowe Pulawy said that "We submitted a bid June 5th but we were not invited to buy shares."

Investors had until June 5th to bid for Bogdanka, at PLN 42 to PLN 48 a share. According to the company's prospectus, management was allowed to accept only bids at or above the final issue price, which eventually was set at the top of the range. Jarczewski declined to comment on whether Pulawy's bid was lower than the issue price.

Pulawy said that last week it planned to make a significant investment in Bogdanka, which is holding Eastern Europe's biggest IPO since November, to help secure and diversify its energy supplies. Bogdanka plans to raise 528 million zloty by selling a 32% stake.

Ms Iwona Sacewicz a spokeswoman at M+G, a public-relations company that represents the mining company said that Bogdanka won't comment on the distribution of shares in the IPO until the final allocation June 19th.

Mr Maciej Wewior spokesman for Poland's Treasury Ministry which controls both Pulawy and Bogdanka said that the offering is attracting very heavy interest.

The brokerage of BRE Bank SA, the deal's underwriter, which pledged to buy all 9 million shares allocated to institutional investors in the case of low demand, said today it won't need to buy any of the stock after Bogdanka found buyers.

(Sourced from Bloomberg)

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