
Bogdanka SA raises USD 161 million in IPO

Thursday, 18 Jun, 2009

Bloomberg reported that Lubelski Wegiel Bogdanka SA raised PLN 528 million in Eastern Europe's biggest initial share sale in 7 months.

Bogdanka, which sold a 32% stake in the IPO will become Poland's first publicly traded coal mine when it debuts on the Warsaw Stock Exchange next week. The company said that institutional investors acquired 82% of the 11 million shares offered.

Mr Kamil Gaworecki who helps manage the equivalent of USD 1.7 billion at Nordea PTE SA said that "It was perfect timing to sell shares because sentiment improved on global stock exchanges. The big interest in the sale may encourage the Treasury to hold more IPOs of state companies."

Poland's benchmark WIG20 Index has soared 48% from its year low on February 17th led by copper producer KGHM Polska Miedz SA, as commodity prices rebound and on speculation the worst of the economic slump is over.

Mr Gaworecki said that some investors bought Bogdanka shares on speculation that the company may soon become a takeover target if the government decides to sell its majority stake to shore up the public finances.

The finance ministry said that Poland's budget deficit widened to PLN 16.4 billion through May, accounting for 90.2% of the estimated gap for 2009, as the economic slowdown cut tax revenues.

According to the statement, the company priced its shares at PLN 48 the top of the PLN 42 to PLN 48 range. Individual investors received 11.8% of shares they applied for because their demand exceeded the amount offered by the company.

According to data compiled by Bloomberg, Bogdanka, based near the eastern city of Lublin will spend the funds from the share sale to double output to about 11 million tonnes of coal a year by 2014. Its IPO was being the largest in the region since the PLN 2 billion share sale of Enea.

Mr Aleksander Grad Treasury Minister said recently that State owned Polska Grupa Energetyczna SA, the country's biggest power group, plans to raise as much as PLN 5 billion in an IPO this year as it seeks funds for expansion.

(Sourced from Bloomberg)

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