

Court says Romania's Hidroelectrica no longer insolvent, opens way for IPO
Romania's producer Hidroelectrica is no longer insolvent.

Bucharest's main court ruled on Tuesday, paving the way for the first initial public offering of a state firm in the country since 2014.

After the ruling, Hidroelectrica said it planned to sell a minority stake in an initial public offering in November.

Hidroelectrica has been run by a court-appointed manager since it became insolvent for the first time in 2012.

"The court ruled today to end Hidroelectrica's insolvency process," a court clerk who read out the ruling at the Bucharest Tribunal told Reuters.

The power producer first became insolvent in 2012 after losing \$1.4 billion over six years. Due to contracts under which it sold the bulk of its output below market prices.

The company underwent restructuring.

Cancelled those contracts and posted record high profits.

But contract holders challenged the cancellations and a court ruling pushed the firm back into insolvency.

Where it has remained a year longer than expected due to lengthy court procedures.

Its manager Remus Borza told Reuters in April that Hidroelectrica had already appointed listing and legal advisers, reiterating it could float a 15 percent stake on both the Bucharest and London stock exchanges.

It would be the first IPO of a state-owned firm in Romania since the sale of power utility Electrica in 2014.

The court clerk said Tuesday's court decision can be appealed within seven days.

source: af.reuters.com