

The European Bank for Reconstruction and Development has invested 100 million euro (\$115.9 million) in the seven-year, 550 million euro senior unsecured bond issue of state-owned Bulgarian Energy Holding, the bank said on Friday.

"The operation will further support the implementation of key power sector reforms and will reinforce BEH's balance sheet going forward," the EBRD said in a statement.

BEH placed 400 million euro worth of seven-year Eurobonds on June 21, followed by a further 150 million euro raised through reopening of the issue on July 24. The funds raised from the issuance will be used to refinance the 500 million euro bond issued by BEH in 2013 and due in November 2018.

The longer tenor of the new bond will ease cashflow pressures on BEH and its key subsidiary National Electricity Company, in anticipation of a fully liberalised market environment, EBRD added.

The new bonds started trading on the Euronext Dublin on June 28 and are expected to start trading on the Bulgarian Stock Exchange in August, according to the statement.

"The bond's long tenor and listing on the national exchange will also have a positive impact on the development of local capital markets. The inclusion in an international benchmark index will mean the bond will be the only currently internationally listed Bulgarian corporate bond of benchmark size," EBRD said.

BEH is the holding company of a group of Bulgarian state-owned companies which are engaged in electricity generation, supply and transmission, natural gas transmission, supply and storage and coal mining.

Source: seenews