

Greece to offer 15% of PPC

By Kerin Hope in Athens

Public Power Corporation, Greece's state-owned electricity utility, plans to raise €307m to €367m through an initial public offering that would value the company at more than €3bn (\$2.6bn).

The long-awaited offering will be the biggest for two years under the government's programme of partial privatisations through the Athens stock exchange.

Up to 25m shares will be offered within a price range of €12.30 to €14.70 per share. The share price will be set after international roadshows and book-building are completed on December 7.

Nikos Christodoulakis, Greece's finance minister, said: "We believe we have

set a realistic market price range in the light of the current difficult market circumstances."

To offset the impact of a sharp fall in share prices in Athens this year, the domestic tranche includes incentives for retail investors.

Greek retail investors will be able to buy PPC shares at a 3 per cent discount to the offering price, and would be eligible for up to 200 additional shares per investor after a six-month holding period.

The sale will reduce the state's shareholding in PPC by 15 percentage points to 85 per cent.

ABN Amro Rothschild, Greek investment bank Alpha Finance, Goldman Sachs International and

National Bank of Greece are joint global co-ordinators, lead managers and book-runners for the offering.

The Greek banks will handle the domestic tranche of the issue.

PPC returned to profit last year after a restructuring into separate divisions handling power generation, transmission and distribution. The group also controls mining operations for brown coal used to fuel power plants on the Greek mainland.

Greece's electricity sector was opened to competition earlier this year, but PPC is expected to retain its monopoly of power generation for at least three years while private operators build additional capacity.

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