

Sibanthracite's Order Book Half Full

By [The Moscow Times](#)

July 11, 2013

The  Moscow Times

Coal miner Sibanthracite's order book for its planned London stock market flotation has been subscribed by more than 50 percent, two market sources said Thursday.

Sibanthracite set a price range earlier in July of between \$7.00 and \$9.50 per global depositary receipt (GDR) for the share issue. The order book is expected to be closed later Thursday, with final pricing announced Friday.

Sibanthracite declined comment about the order book.

The stock offering comes at a challenging time for coal producers, as China's industrial growth wanes and steelmakers struggle. Emerging markets which, like Russia, are weighted towards the resources sector, are also weak.

Sibanthracite, however, describes itself as a niche player offering a premium product — ultra-high-grade anthracite — that can be used as a substitute for coke in blast furnaces and continues to be in high demand.

The company controls 15 percent of the global market for anthracite and plans to increase that to 17 percent this year by focusing on the Asia-Pacific and Chinese markets, the company said recently.

The initial public offering (IPO) will enable Sibanthracite's selling shareholder GLG Emerging Markets Growth Fund to raise up to \$214 million for its 25 percent stake.

After a slow start to the year for equity offerings, a number of Russian companies are planning IPOs, including VTB Capital, Tinkoff Credit Systems and hypermarket chain Lenta, according to sources.

JP Morgan, Morgan Stanley, Raiffeisen Bank and Sberbank are acting as joint coordinators and bookrunners for the Sibanthracite offering.

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