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Sibanthracite Pulls IPO

By The Moscow Times

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Coal miner Sibanthracite postponed its planned London stock market debut, blaming current market conditions and investor sentiment towards the global mining sector.

By Thursday, the day the order books on the sale closed, the company had not received enough orders for all of the shares on offer, according to market sources.

"Sibanthracite ... today announces that it has decided to postpone its initial public offering," the company said in a statement to the stock exchange Friday.

It is a difficult time for coal producers as China's industrial growth wanes and steelmakers struggle. Emerging markets that, like Russia, are weighted towards the resources sector, are also weak.

Sibanthracite, however, had described itself as a niche player offering a premium product — ultra-high-grade anthracite, or UHG — 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 has said it plans to increase that to 17 percent this year by focusing on the Asia-Pacific and Chinese markets.

Selling shareholder the GLG Emerging Markets Growth Fund had planned to sell its 25 percent stake for up to $214 million, having set a price range of between $7.00 and $9.50 per global depositary receipt (GDR) earlier this month.

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

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