



REUTERS

Moncada Energy mulls IPO to boost green business

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MILAN (Reuters) - Family-owned Moncada Energy Group may float a stake at the end of 2012 to provide funds for expanding in renewable energy at home and abroad, the head of the Italian group told Reuters on Monday.

The renewable energy sector has boomed in Italy in the past few years on the back of generous government incentives, but only about 10 Italian companies active in this business have listed shares on Milan's stock exchange.

Sicily-based Moncada group decided to shift its core business from construction to renewable energy, sensing strong growth possibilities, and launched its first wind park in 2005.

"We want to become much bigger from now to 2012 and after that we do not exclude selling a stake directly on the market, through an IPO," said Salvatore Moncada, chief executive and sole director said in a telephone interview.

Moncada, whose family owns the group, said the current owners would want to keep "a big ownership stake," but not necessarily above 50 percent as long as they could ensure control over operating activity.

"The logic is to get a capital injection to grow even bigger", he said. "We want the group to maintain the same philosophy of growth, we do not want to be controlled by financial speculators."

Moncada said the group would start talking to banks and advisers about the possible initial public offering (IPO) at the end of 2011 with a view to floating the shares on the market closer to the end of 2012. It is yet to decide where to list.

Shares in nine Italian renewable energy companies listed on Milan's bourse have been rising since April 2009 on the back of strong results and the trend remained positive, Valentina Boccia of Althesys Strategic Consultants, told Reuters.

Althesys has compiled the Italian Renewable Index (IREX) which includes Alerion ([ARN.MI](#)), Actelios ([AA4.MI](#)), ERG Renew ([ENRT.MI](#)), ErgyCapital([ECY.MI](#)), GreenVision ([VISA.MI](#)), K.R.Energy ([KAIT.MI](#)), Kerself ([KRS.MI](#)), Kinexia ([KINX.MI](#)) and TerniEnergia ([TRNL.MI](#)).

The companies make more than half of their revenues from renewable energy and represent 45 percent of wind and photovoltaic capacity in Italy.

INVESTMENTS

Moncada said his group has invested 250 million euros (\$368 million) to build its green energy potential, using its own funds and bank financing.

Moncada group aimed to nearly triple installed wind capacity in Italy to 300 megawatts by the end of 2010 from 105 MW now and boost solar capacity to 38 MW in 2010 from 8 MW now, he said.

But stronger growth is expected to come from abroad. Moncada aims to have a 500 MW wind park up and running in Albania by the end of 2012 and bring electricity generated there to Italy via an interconnector the group would build.

Moncada group plans a similar project in Tunisia with a 500 MW wind park and an undersea power link and also aims to build 200 MW of solar installations there, but it would take about 4-5 years to get these projects off the ground, Moncada said. [Continued...](#)