



Resilience amidst uncertainty

Central Europe Private Equity
Confidence Survey

October 2016

Introduction

Our 28th survey reaffirms stability in Central Europe's (CE) private equity (PE) market, with most metrics suggesting little change expected over the coming months. This is refreshing and in contrast to the mood further west, where Britain's EU Referendum result has caused uncertainty in much of the European Union and its financial markets. Of course Central Europe isn't entirely immune to the impact of Brexit; being part of the EU means deal doers are aware of the potential impact on markets, and the Index pulled back to 109. That the drop wasn't higher is vindication of the region's resilience and ability to persevere.

Economy aside, most results point to a mood of confidence. For example, despite the gentle drop in economic expectations for the region, deal doers continue to perceive CE's debt markets as very stable. More than four fifths (83%) expect no change in the availability of debt finance, up on last survey's already healthy 70%. Leverage is crucial to driving buyouts, and the expectation of its availability means houses are looking forward to backing businesses – 70% intend to focus on new deals over the next six months, on a par with the spring survey and together the highest level since the region's 'golden age' between 2004 and 2007.


Adding to the positivity for the future, we have recorded a couple of fund closes, namely first closes for Abris and Arx Equity, while Genesis Capital reached a final close for its fourth vehicle. Others are expected to make announcements in the coming months, such as CEE Equity (\$1bn), Resource Partners and Value4Capital (EUR 150m targeted). What is further encouraging is some of the vehicles raised since the spring have attracted local capital, a fairly new phenomenon in CE PE, a market which has historically relied (almost exclusively) on foreign institutions.

Despite an unusually large number of mega-deals currently in various stages of development, the market continues to be a mid-market one, which institutions – local and abroad – find attractive given the perceived pricing levels achievable. In fact our survey reveals that more than half of deal doers expect average deal sizes to stay the same, even as averages have come down markedly in Western Europe and Britain in particular since the Brexit vote (CMBOR Statistics for Q3 2016).

We look forward to continuing to work with CE deal doers to see whether this positive sentiment bears out as they drive the asset class forward in the region.



Mark Jung
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Key findings

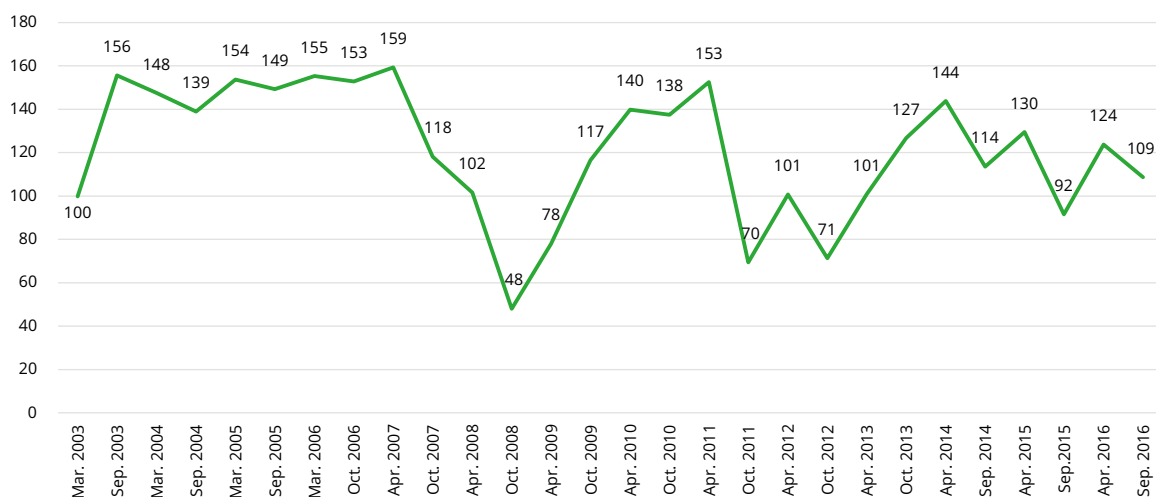
Confidence has dropped slightly after a spring-time surge, potentially a result of the Brexit vote in the UK in June. The drop is likely on the back of risks in wider Europe, not least in the post-Brexit environment, as well as ongoing concerns regarding the migrant crisis as well as elections throughout Europe pointing to increasing populism. In fact, given these events, it is indeed encouraging to see the Index remains higher than where it was a year ago.

Perhaps as a result of the EU Referendum result, economic expectations are less optimistic than in the spring. Just 7% expect the backdrop to improve, down from nearly a quarter (24%) in the spring. Fewer than a third expect the situation to worsen, similar to six months ago. Nearly two thirds expect no change, suggesting a stabilisation of the economies in the region. Central Europe remains Europe's strongest region for GDP growth, with 2.9% estimated for Q3 2016¹.

Despite the gentle decline in economic expectations for CE, deal doers continue to perceive CE's debt markets as very stable. More than four fifths (83%) expect no change in the availability of debt finance, up on last survey's already healthy 70%.

Mindsets are shifting as regards which segments are most competitive. Start-ups, which barely registered on the survey for the first decade, began to blip and hit an all-time high of 13% this time round. Their gain came at the expense of mid-size growing companies, which came in at just 20%, their lowest proportion in the history of the survey. As ever, market leaders were deemed most competitive, with two thirds of respondents citing this segment, one of the highest levels across 28 surveys.

Central Europe PE Confidence Index*



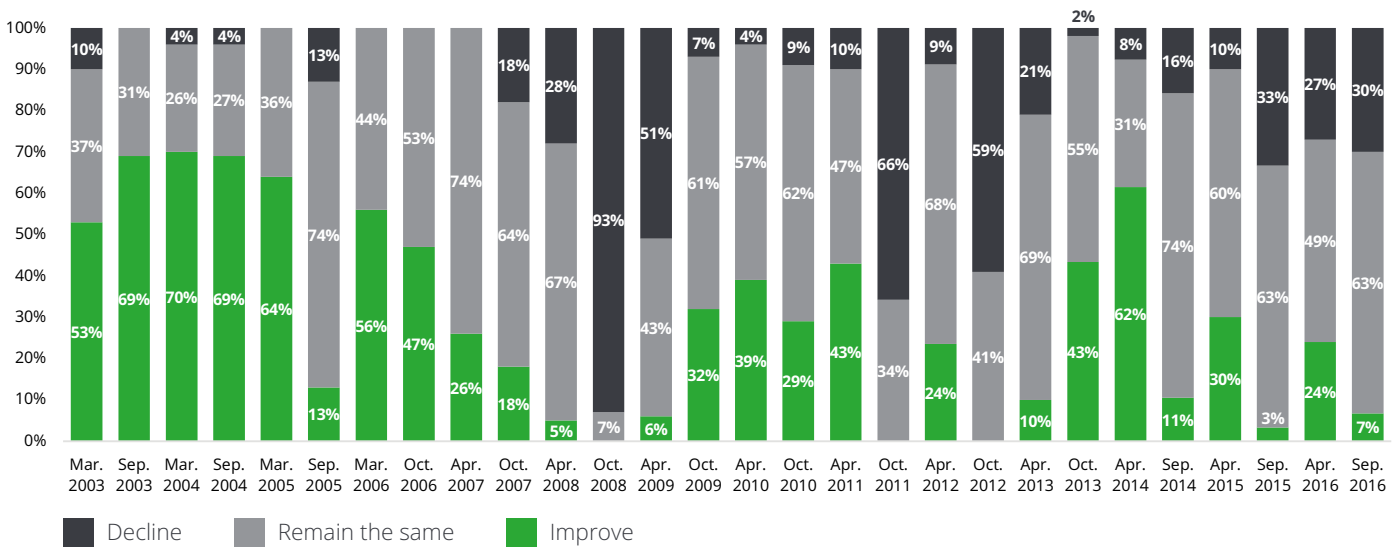
*The PE Confidence Index is based upon answers received from PE professionals focused on Central Europe. It is composed from answers to the first seven questions of the survey. For each period the average of positive answer ratios over the sum of positive and negative answers is computed. This average is compared to the base period, which in our case is spring 2003.

¹ <http://www.focus-economics.com/regions/central-and-eastern-europe>

Survey Results

Economic Climate

For this period, I expect the overall economic climate to:*



The majority of respondents (63%) expect the economic backdrop to remain the same over the next six months, up from the last survey and broadly consistent with the previous few reports. Fewer than a third of respondents (30%) expect conditions to worsen, though there has been a marked drop in the percentage of respondents expecting an improvement: whereas nearly a quarter (24%) were optimistic in the spring, the number has shrunk to just 7% in the latest survey. While it represents a fall on the last survey, the figure remains higher than one year ago.

Indeed CE remains Europe's strongest region for GDP growth, with 2.9% growth expected for this quarter². The continuing high growth rates of the region are largely based on rising disposable incomes as well as decreasing unemployment rates. Poland, CE's largest economy, is forecast to generate GDP growth of 3.5% next year³.

While expectations – both from economists and deal-doers – are down, the decrease is gentle, suggesting the Brexit aftermath isn't as negative as had been feared. This remains a risk, however, as Britain's new Prime Minister Theresa May has yet to invoke Article 50, and only after that invocation can devolution talks with other EU member states and Brussels commence. Once these negotiations get underway, the future of one of the EU's most significant trading partners will become clearer and this may have an impact – positive or negative – on the economies of the EU overall as well as its constituent member states.

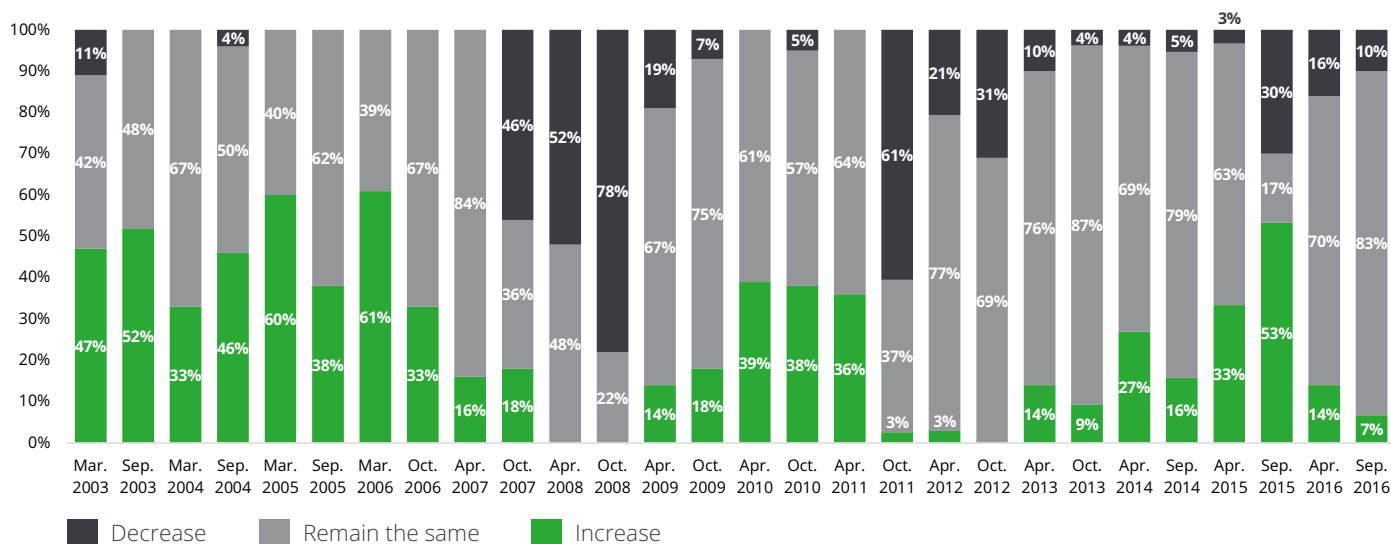
* Results are displayed only for the 20 most recent survey

² <http://www.focus-economics.com/regions/central-and-eastern-europe>

³ <http://www.oecd.org/economy/poland-economic-forecast-summary.htm>

Debt availability

For this period, I expect the availability of debt finance to:



Despite the slight decline in economic expectations for CE, deal doers continue to perceive CE's debt markets as very stable. More than four fifths (83%) expect no change in the availability of debt finance, up on last survey's already healthy 70%. This may be down to the increased prevalence of non-bank lenders in the region. Long the preserve of the US buyout market and having made strong inroads in Western Europe over the last decade, non-bank lenders – namely mezzanine funds – have become part of the buyout landscape in CE. There are currently only a handful of indigenous players, though non-local players are also lending to CE PE deals.

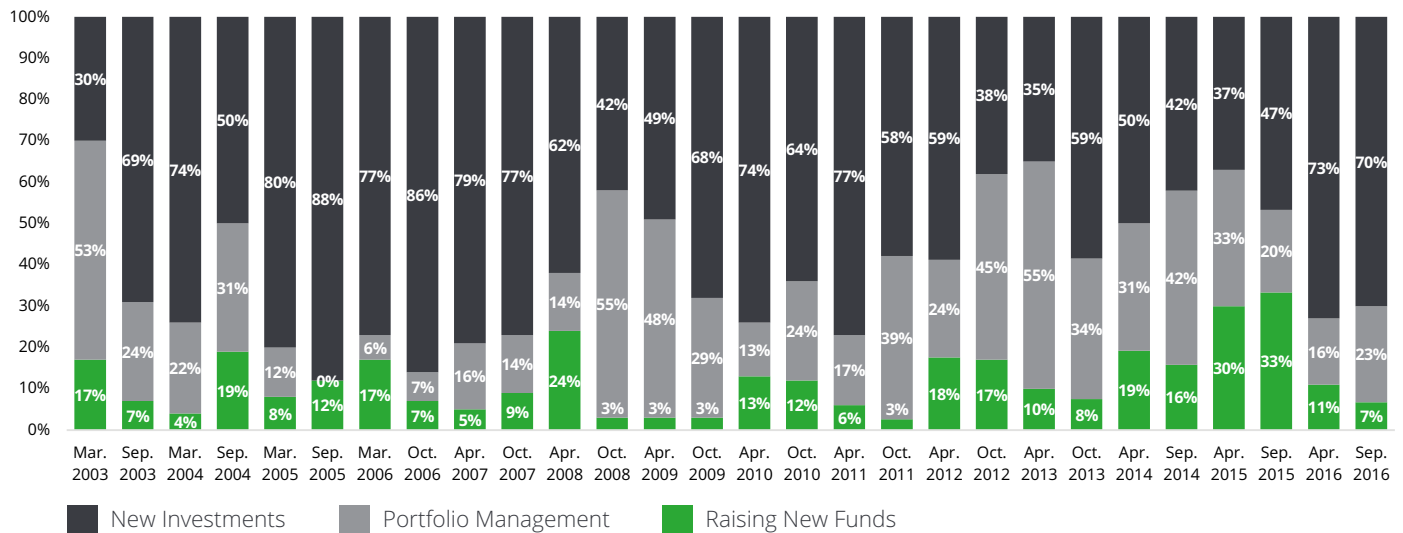
A tenth of respondents expect leverage availability to decrease, while 7% expect increasing liquidity.

The responses suggest little fears of a frothy market about to overheat – refreshingly different to other European markets. Entry multiples throughout Europe increased in Q2, with averages in the double-digits in most markets⁴. The same research shows CE enjoying some of the lowest average entry multiples in Europe.

⁴ <http://www.unquote.com/unquote/research/3001909/european-entry-multiples-rebound-in-q2>

Investors' Focus

For this period, I expect to spend the majority of my time focusing on:



New investments continue to be a priority for CE deal doers: following last survey's five-year high, our latest poll shows a continuing hunger to put money to work, with 70% intending to focus on this over the next six months.

The level of those expecting to focus on portfolio management is up by nearly 50% to 23%. The increase puts the figure back to more "normal" levels following the drop witnessed last survey.

Fewer deal-doers are focusing on fundraising now, with just 7% citing this as a focus, down from 11% in the spring. This is not an indication of a difficult market as much as it is a reflection of the fact fundraising is lumpy by nature, and a number of funds in market now will have already done much of the legwork needed for a fundraise last year (documentation and road-showing). For example Arx Equity hit a first close in its latest fund, with €54m

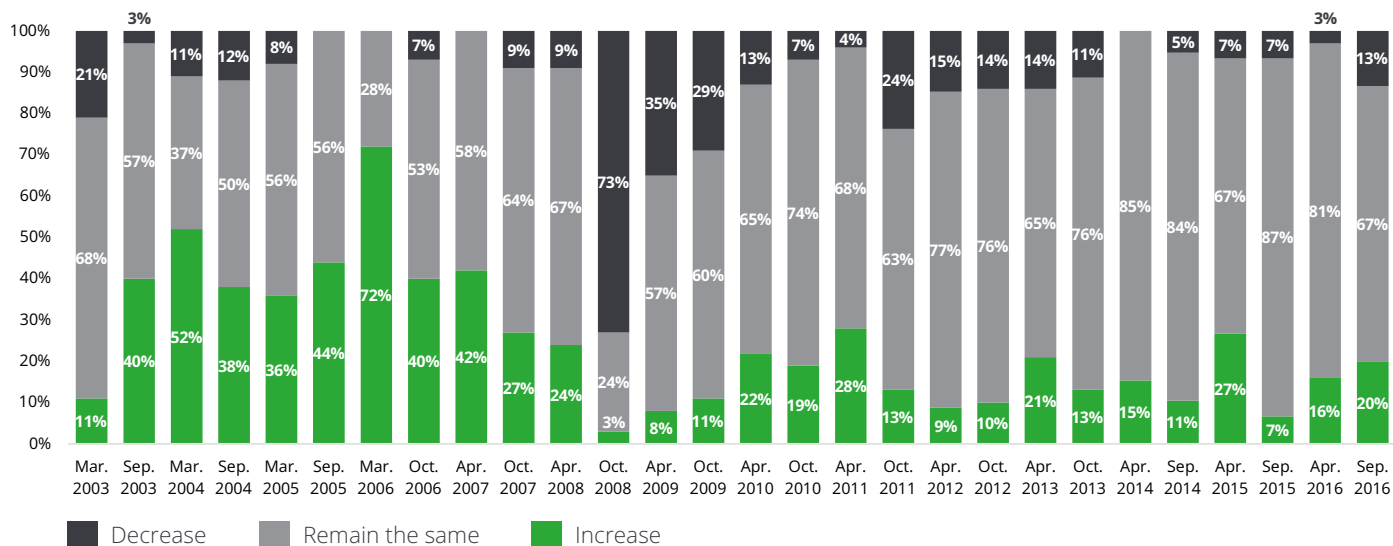
raised towards its €100m target⁵. A first close is expected in the coming months from Resource Partners, while CEE Equity Partners is said to be nearing a final close of \$1bn for its second fund. Value4Capital is also believed to be raising a fresh vehicle. Genesis reached a final close of €80m for its latest fund, with a number of local investors suggesting some CE institutions are finally backing their local markets: investors included Česká spořitelna, eQ Private Equity the European Investment Fund, and Komerční banka's Investment Company (IKS KB)⁶.

⁵ <http://arxequity.com/arx-cee-iv-holds-first-close-towards-e-100-million-target-supported-by-the-eu-cosme-programme/>

⁶ <http://genesis.cz/news/gpef-iii-over-eur-60-million-reserved-for-financing-of-growth-and-buyouts-of-small-and-medium-sized-enterprises>

Size of transactions

For this period, I expect the average size of transactions to:



Respondents expect average deal sizes to remain steady, with two thirds of respondents expecting no change over the coming months. This has been the case for the entire post-crisis history for the survey.

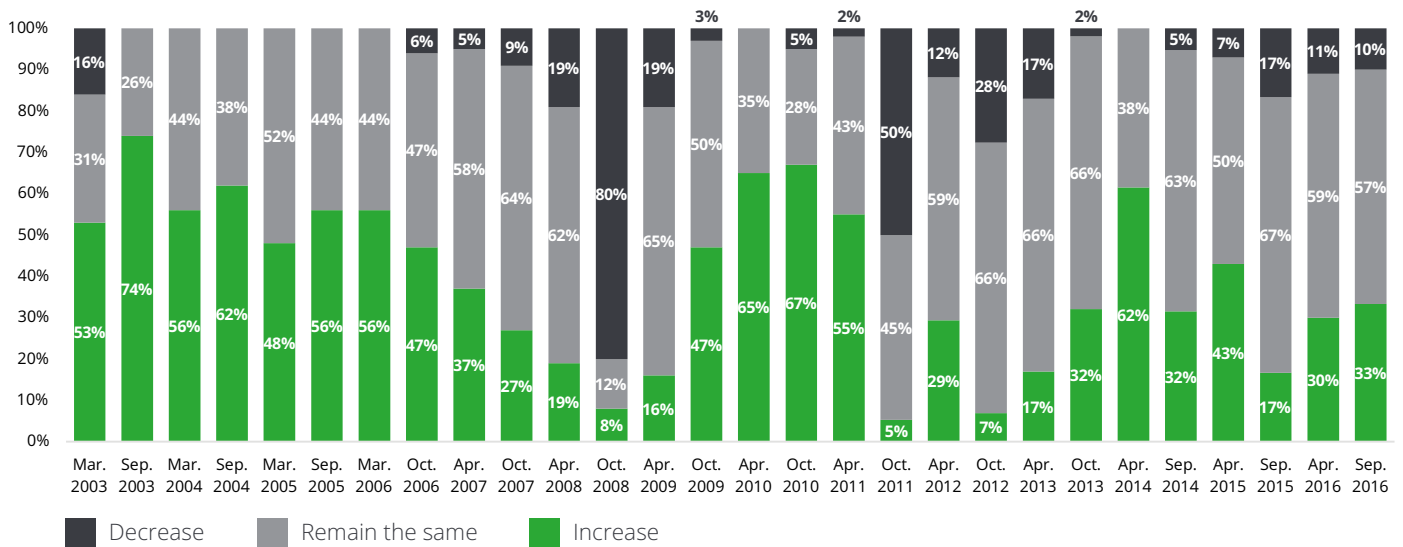
The third that do expect a change are split, with 20% expecting deal sizes to increase and 13% expecting them to decrease. The latter reflects an increase of a quarter on the previous survey, when 16% expected sizes to increase.

The CE PE market is a mid-market one, with any mega deal that skews averages the outlier rather than the norm. In the last six months for example some of the largest (disclosed) deals in CE were Abris's backing of GetBack for a reported Pln 825m (€192m)⁷ and the €116m buyout by Waterland of Kredyt Inkaso – both deals were Polish debt collection businesses. In the previous semester the largest deal had been the €247m buyout of Smyk by Bridgepoint – much larger, but still a mid-cap deal when compared to the wider European market.

⁷ <http://wbj.pl/idea-bank-signs-deal-to-sell-getback-for-pln-825-mln/>

Market Activity

For this period, I expect the overall market activity to:



Expectations of consistent deal activity belie the dip in confidence as well as tempered economic expectations. In fact there is almost no change whatsoever in expectations of deal activity between the spring and this autumn, with 57% expecting no change, flat on last survey's 59%.

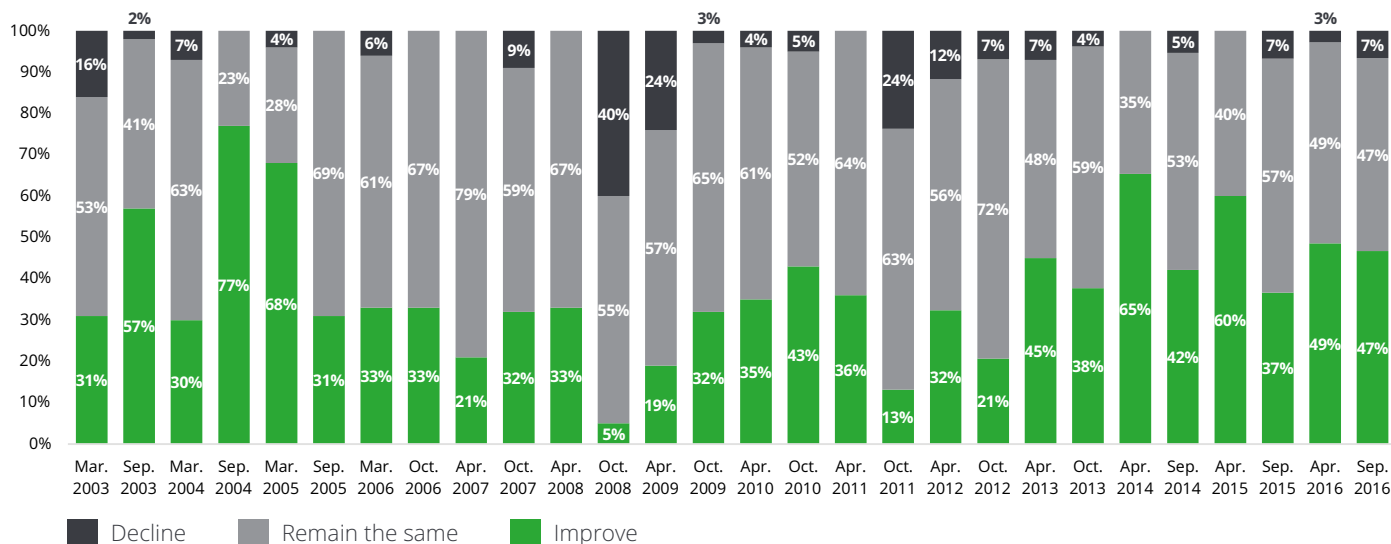
A third expect market activity to increase, up 10% from the spring and continuing the upward trend seen over the last few surveys: the figure stood at just 17% a year ago.

A tenth of respondents expect activity to decrease, flat on last survey's 11%.

The last six months saw most of CE's established houses announce deals: Mid Europa, Enterprise, Innova, Abris, BaltCap, Genesis and Penta were among those to sign deals. Waterland, a Dutch GP which established a local presence a few years ago signed its first two deals in quick succession when it acquired a Polish debt collection business and a dermal cosmetics business, and Mayfair Equity Partners, a new London-based house, made a bolt-on in Poland for its existing UK fishing tackle business Fox International.

Investment return

For this period, I expect efficiency of my financial investments to:

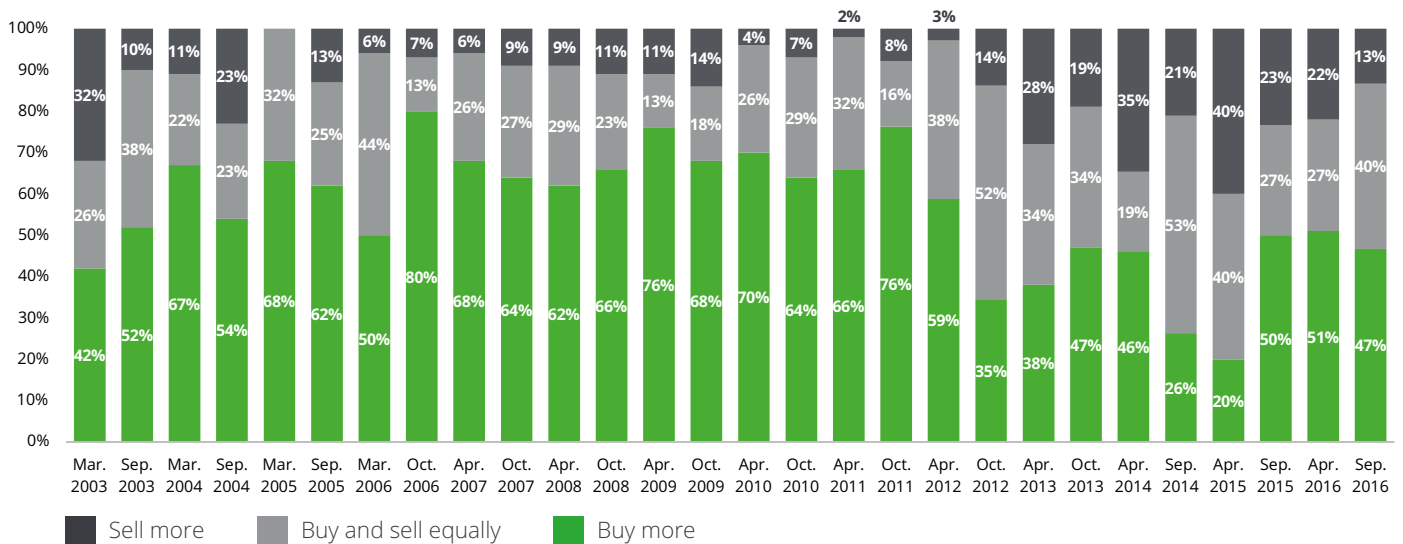


Expectations of financial efficiency suggest the CE PE market is stable, with this survey roughly mirroring the spring survey: nearly half of deal doers (47%) expect the efficiency of their financial investments to stay the same and the other half (47%) expecting an improvement. The figures are fairly flat on the spring survey, which itself saw a marked increase in expectations of improvement.

Pessimism accounts for the remainder of respondents, with 7% expecting efficiency to decrease. The figure is up from just 3% last survey and marks a reversion to the level seen this time last year.

Investors' activities

For this period, I expect to:



The last 18 months have seen a renewed interest in buying more than selling, with 47% of respondents this survey fitting in that category. This is roughly on a par with 51% in the spring and 50% last year.

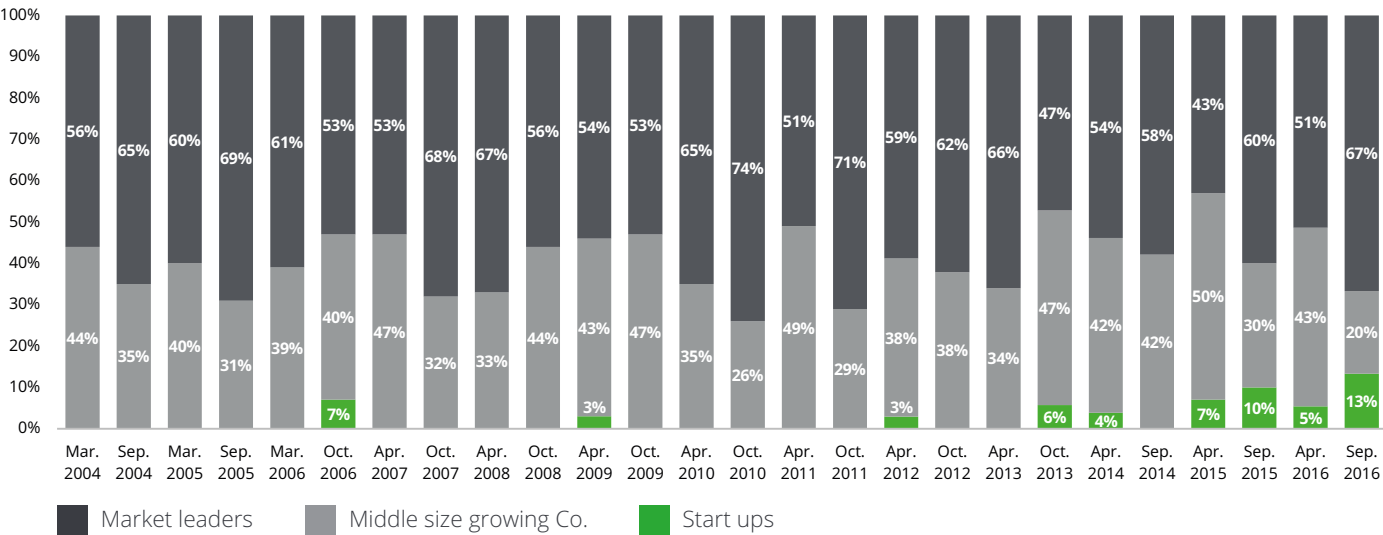
40% expect to buy and sell equally over the coming months, up markedly from just over a quarter (27%) in the spring.

Just 13% expect to sell more over the coming months, down on last survey's figure of 22% and the lowest level since autumn 2012. Despite this, a number of impressive exits were reported in the period: Abris made the largest exit over the last six months, selling Polish waste management business Novago in a sizeable €118m deal to ChinaEverbright. Another large exit came from HarbourVest Partners and VCs M/C Partners, Innova, Oak, Bessemer and Columbia, when they sold their joint investment in Slovak telco

Benestra in a €100m secondary buyout to Sandberg Capital. Genesis Capital made three exits in the run-up to its fund close, selling AZ Klima, Servodata and Roltechnik. The most recent, AZ Klima, saw Czech trade buyer CEZ Esco purchase the asset, while Servodata was acquired by accountancy and services firm BDO. Both exits followed roughly a five-year hold. The third one, Roltechnik, was sold to German construction company Roth Industries after an eight-year hold by Genesis.

Competition for new investments

For this period, I expect the highest competition for new investment opportunities in:



Deal doers continue to believe market leaders are the most hotly contested in CE, with two-thirds deeming them the most competitive. This is up markedly from 51% in the spring. Middle-sized growing companies remain popular however are deemed less competitive than six months ago, with just a fifth deeming them the most competitive now, down markedly from 43% six months ago. This figure is the lowest in the survey's history.

Start-ups are the most competitive they've ever been in our survey, with 13% deeming them in demand, up from just 5% in the spring. This may be down to a handful of fund raises to back start-ups over the last year. The ability to do well with start-ups was just highlighted in the recent €100m sale of Slovak telco Benestra to Sandberg Capital by a consortium of houses including HarbourVest and VCs M/C, Innova, Oak, Bessemer and Columbia. The deal marked one of the region's largest exits over the last six months.

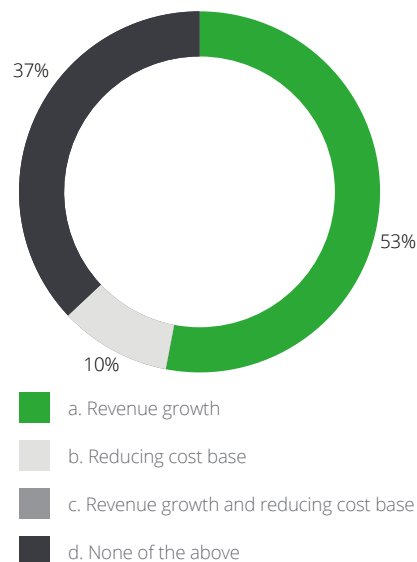
Guest questions

Private equity firms are overwhelmingly looking to grow the top line of their portfolio businesses, with 53% expecting revenue growth to be the main focus for their companies in the next six months.

Just 10% expect to focus on cost-cutting, putting paid to cynics' views that PE is about slashing costs.

More than a third (37%) expect to focus on both to achieve maximum efficiency.

In my opinion, Central Europe local institutional interest in funding private equity is:

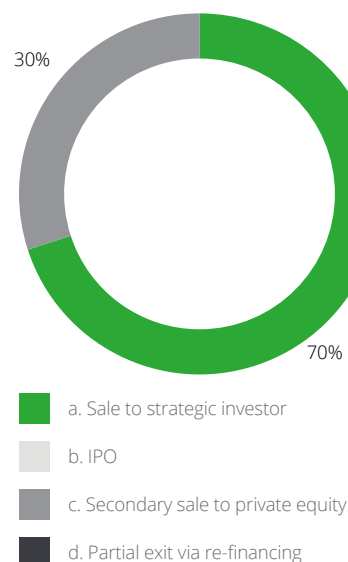


Most deal doers in CE (70%) expect exits over the coming months to come via sales to trade buyers. This is refreshing in that it is widely believed this type of buyer can offer the greatest value for vendors given their tendency to pay a 'strategic premium' for certain assets.

Sales to other private equity firms are a distant second, with just 30% of respondents expecting this to be most dominant. While one of the region's largest exits this semester indeed came via a secondary buyout (Slovak telco Benestra), secondary buyouts are not yet as popular in CE as they are in Western Europe. Investors in PE funds should be happy to know this as many feel the 'horse trading' of selling to other PE houses can mean a bad deal for them as ultimate investors, not least because of the fees they're paying to the vendor and buyer in some cases.

Unsurprisingly, no respondents expected IPOs to be the most dominant form of exit route. The region boasts one of Europe's most active stock markets with the Warsaw Stock Exchange, though private equity-backed flotations have been fairly flat since their 2014 heyday.

I feel that valuations in recent auctions are:



Deals watch

Selected investments

PE House	Country	Company	Period	Est. Value EUR m	Stake	Description
Enterprise Investors	Slovenia	Intersport ISI	September 2016 - 35 pending	35	100	Enterprise Investors Sp. z o.o., has agreed to acquire Intersport ISI, the Slovenia-based sporting goods retailer, from Poslovni sistem Mercator dd, the Slovenia-based food retailer, for a total consideration of up to EUR 34.5m.
Abris Capital Partners	Poland	Graal S.A.	August 2016	46	55.77	Mr. Boguslaw Kowalski and Abris Capital Partners have agreed to acquire a 55.77% stake in Graal SA for a consideration of EUR 46m. Graal SA, the listed Poland-based company, headquartered in Wejherowo, is a frozen and chilled food company.
WSI Capital Sp. z o.o.	Poland	Bdsklep.pl Sp. z o.o.	August 2016	5	n/a	WSI Capital Sp. z o.o., the Poland-based private equity and venture capital firm, has acquired an undisclosed majority stake in Bdsklep.pl Sp. z o.o., the Poland-based company engaged in online retail of FMCG products, for an estimated consideration of PLN 20m (EUR 4.7m).
VTC Partners GmbH	Poland	ST3 Offshore Sp. z o.o.	August 2016	n/a	62.5	Europoles GmbH & Co. KG, the Germany-based manufacturer and a portfolio company of VTC Partners GmbH, acquired a 62.5% stake in Bilfinger Mars Offshore sp. z o.o., the Poland-based company engaged in producing foundations, transition pieces and other steel structures designed for offshore wind farms, from Bilfinger SE, the listed Germany-based company engaged in R&D and operates plant and buildings, for an undisclosed consideration.
CGS Management AG	Poland & Italy	Tesar s.r.l & Elettrostandard Polska Sp. z o.o.	August 2016	n/a	n/a	Rauscher & Stoecklin AG, manufacturer of transformers, electrical equipment and switchgear and a portfolio company of CGS Management AG, has acquired Tesar s.r.l, manufacturer of cast-resin transformers and Elettrostandard Polska Sp. z o.o., provider of energy efficiency, network reliability and industrial productivity products, from Mr. Renzo Sormani and Sarfin s.r.l., manufacturer of electrical transformers, for an undisclosed consideration.
Krosno Glass Sp. z o.o (Coast2Coast Investments)	Poland	Krosnińskie Huty Szkła "KROSNO" S.A.	August 2016	28	n/a	Krosno Glass Sp. z o.o., Polish holding company with an interest in glass manufacturing and a subsidiary of Coast2Coast Investments, a South-Africa based private equity firm, has agreed to acquire Krosnińskie Huty Szkła "KROSNO" S.A., glass producer, for an estimated consideration of more than PLN 121.2m (EUR 27.76m). The transaction is part of bankruptcy proceedings.
Waterland Private Equity Fund VI B.V.	Poland	Kredyt Inkaso S.A.	July 2016 - Pending	116	66	Waterland Private Equity Fund VI B.V. has agreed to acquire a 66% stake in Kredyt Inkaso S.A. for EUR 116m. Waterland Private Equity Investments B.V. and Waterland Private Equity Fund VI B.V. are Netherlands-based private equity firms, headquartered in Bussum with an office located in Warsaw. Kredyt Inkaso S.A. is a listed Poland-based debt collecting firm, headquartered in Warsaw.
Penta Investments Limited	Czech Republic	Cesko-nemecka horska nemocnice Krkonose s.r.o.	July 2016	n/a	n/a	Penta Investments Limited, the Czech Republic-based private equity firm, has acquired Cesko-nemecka horska nemocnice Krkonose s.r.o., the Czech Republic-based hospital, from private individuals, for an undisclosed consideration.

PE House	Country	Company	Period	Est. Value EUR m	Stake	Description
Aurelius AG	Poland & United Kingdom	Stralfors Sp z oo & Stralfors UK Limited	July 2016 - pending	n/a	n/a	Aurelius AG, the listed Germany-based private equity firm, agreed to acquire the UK and Poland based subsidiaries of PostNord Stralfors Group AB, the Sweden-based company formed as a result of a merger between PostNord AB, company providing communication and logistics solutions and Stralfors AB, providing IT solutions for business information transfer operating as a part of PostNord AB, for an undisclosed consideration.
Mid Europa Partners	Hungary	Waberer's International Nyrt	July 2016	n/a	40.3	Mid Europa Partners acquired full control of the leading CEE road freight transport company Waberer's International Nyrt, by acquiring the shares held by the founder and CEO, György Wáberer, and thereby increasing its stake from 56.8% to 97.1% in the Company. Waberer's is the largest road transport company in Hungary.
Eco-Invest, a.s	Slovenia	Paloma, higienski papirji, d.d.	July 2016	18.2	57.2	Eco-Invest has agreed to acquire a 57.20% stake in Paloma, higienski papirji, d.d., a Slovenia-based company that manufactures, trades, and exports hygienic tissues from Slovenian Sovereign Holding, d.d., a Slovenia-based company that provides services for the settlement of obligations to beneficiaries and investment activities, for a consideration of EUR 18.2m.
Innova Capital Sp. z o.o. & OPTeam S.A.	Poland	Centrum Rozliczeń Elektronicznych Polskie ePłatności	July 2016	17	50	Innova Capital, a leading Central European private equity firm, together with its partner, OPTeam, which is listed on the Warsaw Stock Exchange, has invested in Polskie ePłatności ("PeP"). Thus, PeP will become a platform for the consolidation of the electronic payments sector in Poland.
Mayfair Equity Partners LLP & Next Wave Partners LLP	Poland	SALMO Sp. z o.o.	June 2016	n/a	n/a	Fox International Group Limited, the UK-based which manufactures fishing tackle, a portfolio company of Mayfair Equity Partners LLP and Next Wave Partners LLP, the UK-based private equity firms, has acquired SALMO Sp. z o.o., the Poland-based company engaged in manufacturing and selling fishing lures, for an undisclosed consideration.
Genesis Capital s.r.o.	Czech Republic	Quinta-Analytica spol. s r. o.	June 2016	n/a	75	Genesis Private Equity Fund III, the Czech Republic-based fund of Genesis Capital s.r.o., the Czech Republic-based private equity firm, has acquired 75% stake in Quinta-Analytica spol. s r. o., the Czech Republic-based provider of research & development and regulatory services for pharmaceutical, biotechnology and generic drug industries, for an undisclosed consideration.
BaltCap	Estonia	Jaaksoni Linnahoolduse OU	June 2016 - pending	n/a	100	AS Eesti Keskkonnateenused, an Estonia-based waste management company, and a portfolio company of BaltCap, an Estonia-based private equity and venture capital firm, has agreed to acquire Jaaksoni Linnahoolduse OU, an Estonia-based company engaged in i.a. road maintenance works, and street cleaning from Jaakson & Ko OU, an Estonia-based holding company, for an undisclosed consideration.
Axxess Capital	Romania	Industrial Access SA	June 2016 - pending	n/a	100	TVH-Group Thermote & Vanhalst, a Belgium-based industrial in-plant vehicle company, has agreed to acquire Industrial Access SA, a Romania-based construction equipment rental and leasing company, from Balkan Accession Fund, a private equity fund of Axxess Capital, a Romania-based private equity and venture capital firm and Stefan Ponea, a Romania-based private individual, for an undisclosed consideration.

PE House	Country	Company	Period	Est. Value EUR m	Stake	Description
NORDIC INVESTORS s.r.o.	Czech Republic	Air Telecom a.s.	May 2016 - Pending	6	n/a	NORDIC INVESTORS s.r.o., the Czech Republic-based private equity firm, agreed to acquire Air Telecom a.s., the Czech Republic-based mobile phone operator, from private for a consideration of approximately EUR 5.5m.
Darby Private Equity (Darby Converging Europe Fund III)	Poland	Fifor Polska Sp. z o.o.	May 2016	n/a	n/a	Darby Private Equity, the private equity arm of Franklin Templeton Investments, has completed an investment in Fifor Polska Sp. z o.o. by providing growth capital and acquiring a minority stake in the firm. Fifor is a dedicated Polish private label manufacturer of salty snacks (mainly potato chips and cornmeal snacks).
Brno Investment Group s.r.o.	Czech Republic	Sklizeno s.r.o.	April 2016	n/a	50	Brno Investment Group s.r.o., a Czech Republic-based private equity firm, has acquired a 50% stake in Sklizeno s.r.o., a Czech Republic-based retail chain focused on sale of fresh farm food products, for an undisclosed consideration.
Abris Capital Partners	Poland	Fungis Sp. z o.o.	April 2016	n/a	n/a	Mykogen Polska S.A., the Poland-based manufacturer of button mushroom substrate and a portfolio company of Abris Capital Partners, the private equity firm, has acquired Fungis Sp. z o.o., the producer of substrate for cultivation of button mushrooms, for an undisclosed consideration.
Ambienta Sgr S.p.A.	Croatia	Calucem Group	April 2016	n/a	n/a	Ambienta Fund II, an Italy-based fund of Ambienta Sgr S.p.A., a private equity firm, has acquired a majority stake in Calucem Group, a Croatia-based manufacturer of calcium aluminates cements and quick setting cements, from Argus Capital Group Limited, the UK-based private equity firm in a management buyout transaction, for an undisclosed consideration.
Innova Capital Sp zoo	Poland	Netsprint S.A.	April 2016	n/a	48	Innova Capital Sp. z o.o., a Poland-based private equity firm, has acquired 48% stake in Netsprint S.A., a company engaged in technology solutions that support internet marketing, from Dirlango Sp. z o.o., a company that utilizes technology to create new business models, for an undisclosed consideration.
MCI Capital S.A.	Poland	Mobiltek S.A.	March 2016	27	100	MCI Capital S.A. has acquired Mobiltek S.A., the Poland-based provider of payments services by premium text messages and direct carrier billing, for a consideration of PLN 116.2m (EUR 26.92m). The transaction also includes wholly owned subsidiary of Mobiltek, Dotpay S.A., a Poland-based company that provides online payment services.
3TS Capital Partners (Catalyst Romania Fund); Gecad Ventures	Romania	SmartBill	March 2016	>1	n/a	3TS Capital Partners, technology private equity and venture capital firm, and Gecad Ventures, the Romania-based company, invested over EUR 1m in Smart Bill, Romanian provider of billing solutions and SaaS services.
IQ Partners S.A.	Poland	Triverna.pl	March 2016	circa 234	n/a	IQ Partners S.A., the Poland-based listed venture capital firm, has invested in Triverna.pl, the Polish-based portal offering package holidays in best hotels (four, five stars) in Poland.
Warburg Pincus LLC	Poland	Biuro Aptek Gemini	February 2016	n/a	majority	Warburg Pincus LLC, the US-based private equity and venture capital firm, has agreed to acquire an undisclosed majority stake in Biuro Aptek Gemini, the Poland-based company operating pharmacy chain, for an undisclosed consideration.

PE House	Country	Company	Period	Est. Value EUR m	Stake	Description
Exterior Venture Fund	Poland	WeGirls S.A.	January 2016	n/a	n/a	Exterior Venture Fund has invested in WeGirl S.A., the Poland-based company supporting education and personal development of children by connecting virtual and real world of games and toys.
Exterior Venture Fund	Poland	Dr Omnibus Sp. z o.o.	January 2016	n/a	n/a	Exterior Venture Fund has invested in Dr Omnibus Sp. z o.o., the Poland-based company offering innovative tools for therapy and education in a form of tablet and mobile applications, supporting therapy of kindergarden aged children with behavioural impairment and birth defects.
Bridgepoint Advisers Limited; Cornerstone Partners Sp. z o.o.	Poland	Smyk Sp. z o.o.	January 2016	247	100	Bridgepoint Advisers Limited, the UK-based private equity firm, and Cornerstone Partners Sp. z o.o. the Poland-based private equity firm, have acquired Smyk Sp z o.o. , the Poland-based company, from NFI Empik Media & Fashion S.A., for a consideration of circa EUR 247m. Smyk operates a network of 125 stores and is expected to generate revenues of PLN 1.44bn (EUR 331.31m) for the year 2015

Selected exits

Company	Country	Seller	Buyer	Date	Value EUR m	Stake	Description
AZ KLIMA s.r.o.	Czech Republic	Genesis Private Equity Fund II & Miroslav Čížek	ČEZ ESCO - ČEZ, a.s.	September 2016 - Pending	n/a	100%	CEZ ESCO, the Czech Republic-based company engaged in supplying economical and environmentally friendly energy solutions and a subsidiary of CEZ as, Czech Republic-based has agreed to acquire AZ KLIMA s.r.o. company engaged in providing comprehensive services in the field of technical building equipment, air conditioning and refrigeration from Genesis Private Equity Fund II (GPEF II), the fund managed of Genesis Capital s.r.o., the Czech Republic-based private equity firm and Mr. Miroslav Čížek, a private investor, for an undisclosed consideration.
Totalsoft S.A.	Romania	Global Finance SA	Logo Yazilim Sanayi ve Ticaret AS	September 2016	30	n/a	Global Finance SA, a Greece-based private equity firm, sold Totalsoft S.A., a Romania-based company that develops ERP software solutions, for a consideration of EUR 30.25m to Logo Yazilim Sanayi ve Ticaret AS, a listed Turkey-based company that develops software products for business applications. The transaction is funded through a combination of cash (57%) and debt (43%).
AGIS Fire and Security Group	Poland	OpenGate Capital LLC	SPIE GmbH	August 2016	n/a	n/a	SPIE GmbH, a Germany-based company which provides integrated management facility for electrical, mechanical and HVAC engineering, energy and communication networks, and a subsidiary of SPIE SA has acquired AGIS Fire and Security Group, a Poland-based provider of electronic security and fire protection systems, from OpenGate Capital LLC, the US-based private equity firm, for an undisclosed consideration.
Cedok a.s.	Czech Republic	Odien Group	Nowa Itaka Sp. z o.o	August 2016	n/a	n/a	Nowa Itaka Sp. z o.o, the Poland-based travel agency, has agreed to acquire Cedok a.s., the Czech Republic-based travel agency, from Odien Group, the private equity and advisory firm, for an undisclosed consideration.
Roltechnik a.s.	Czech Republic	Genesis Capital s.r.o.	Roth Industries GmbH & Co. KG	August 2016	n/a	n/a	Roth Industries GmbH & Co. KG, a Germany-based company engaged in production of industrial machinery, products, plastics and other building products, has acquired Roltechnik a.s., a Czech Republic-based manufacturer of sanitary products, from Genesis Capital s.r.o., a Czech Republic-based private equity firm, for an undisclosed consideration.
Organic Farma Zdrowia SA	Poland	Avallon Sp. z o.o.	EcorNaturaSi S.p.A	July 2016	9	63.42	Avallon Sp. z o.o. and other shareholders sold 63.42% stake in Organic Farma Zdrowia S.A. to EcorNaturaSi S.p.A for a consideration of EUR 9m. EcorNaturaSi S.p.A is an Italy-based supermarket, headquartered in Verona, offering organic and biodynamic products. Organic Farma Zdrowia SA (OFZ) is a listed Poland-based company headquartered in Warsaw, that operates as an organic food delicatessen retail chain.
Nortal Group	Estonia	Enterprise Venture Fund I; LHV Group AS	Employees	June 2016	15	50	Employees of Nortal have acquired 50% stake in Nortal, from Enterprise Venture Fund I and LHV Group AS. Nortal Group, is an Estonia-based company headquartered in Tallinn, operating as a software development company. Enterprise Venture Fund I, the Poland-based fund, is the venture capital fund of Enterprise Investors. LHV Group AS, the listed Estonia-based holding company, consideration of the transaction is EUR 15m.

Company	Country	Seller	Buyer	Date	Value EUR m	Stake	Description
Marmite S.A.	Poland	Innova Capital Sp. z o.o.	The Cranemere Group Limited	May 2016	n/a	n/a	The Cranemere Group Limited, the UK-based investment firm, has acquired Marmite S.A., the Poland-based manufacturer, from Innova/4 LP and Innova/5 LP, the Poland-based funds of Innova Capital Sp. z o.o., the Poland-based private equity firm, and from other minority shareholders, for an undisclosed consideration.
BENESTRA, s. r. o.	Slovakia	HarbourVest Partners, LLC M/C Partners Innova Capital Sp. z o.o. Oak Investment Partners Bessemer Venture Partners Columbia Capital	Sandberg Capital, Sprav. Spol., A.S.	May 2016 - pending	100	100	Sandberg Capital, Sprav. Spol., A.S., a Slovak Private Equity, has agreed to acquire BENESTRA, s. r. o., a Slovakia-based telecommunications operator, from a group of investors for an estimated enterprise value of approximately EUR 100m.
Novago Sp. z o.o.	Poland	Abris Capital Partners	China Everbright International Limited	June 2016	118	n/a	Abris Capital Partners, a Poland-based private equity firm, sold Novago Sp. z o.o., a Poland-based waste management company, to China Everbright International Limited, a listed Hong Kong-based conglomerate focusing primarily on the businesses of infrastructure and property development, for a consideration of EUR 118m.
Friendly Finance OU	Czech Republic	Invesco Finance	Tirona Limited	June 2016	16	70	Tirona Limited, a Cyprus-based holding company for 4finance Group S.A., a Latvia-based provider of online and mobile consumer lending services, has acquired a 70% stake in Friendly Finance OU, a Czech Republic-based financial company which provides flexible short term loans, from Invesco Finance, an Estonia-based private equity and venture capital firm and other shareholders, for an enterprise value of EUR 16m.
Green Group	Romania	South Eastern Europe Fund L.P. (SEEF) The European Bank for Reconstruction and Development	Abris Capital Partners	May 2016	50	75	Abris Capital Partners, the Poland-based private equity firm, has agreed to acquire a 75% stake in Green Group, the Romania-based company through its subsidiaries engaged in waste management business, from South Eastern Europe Fund L.P. (SEEF), Greece-based Global Finance SA, a private equity firm and the EBRD, for an estimated consideration of EUR 50m.
Scitec Nutrition	Hungary	Enterprise Investors	Ascendis Health	May 2016 - pending	170	100	Polish Enterprise Fund VII, a private equity fund managed by Enterprise Investors, together with its minority co-investors (including Morgan Stanley Alternative Investment Partners), have signed an agreement to sell a 100% stake in Scitec Nutrition, a leading European sports nutrition producer, to Ascendis Health, a South African publicly listed health and care brands company.
City Clinic Group	Bulgaria	EMP Invest Bulgaria AD	Acibadem Saglik Hizmetleri ve Ticaret AS and Acibadem Sistina Hospital	April 2016 - pending	34	n/a	EMP Invest Bulgaria AD (the Bulgaria-based private equity firm), Alexander Dmitrievich Minov and other private investors, agreed to sell Citi Clinic Group, the Bulgarian-clinic group to Acibadem Saglik Hizmetleri ve Ticaret AS and Acibadem Sistina Hospital, for ca. EUR 34m.

Company	Country	Seller	Buyer	Date	Value EUR m	Stake	Description
Tomplast d.o.o.	Slovenia	DBG Eastern Europe II LP, the Hungary based private equity fund of Arx Equity Partners	KJK Capital Oy	April 2016	n/a	n/a	KKJK Capital Oy, the Finland-based asset management company, has acquired Tomplast d.o.o., the Slovenia-based producer of plastic components, from DBG Eastern Europe II LP, the Hungary based private equity fund of Arx Equity Partners, the Czech Republic-based private equity firm, for an undisclosed consideration.
Calucem Group	Croatia	Argus Capital Group Limited	Ambienta Sgr S.p.A.	April 2016	n/a	n/a	Ambienta Fund II, an Italy-based fund of Ambienta Sgr S.p.A., an Italy-based private equity firm, has acquired a majority stake in Calucem Group, a Croatia-based manufacturer of calcium aluminates cements and quick setting cements, from Argus Capital Group Limited, the UK-based private equity firm in a management buyout transaction, for an undisclosed consideration.
Noriel Group	Romania	Axxess Capital and Constantinescu family	Enterprise Investors	April 2016 - pending	n/a	n/a	Polish Enterprise Fund VII, a private equity fund of Enterprise Investors, has agreed to acquire Noriel Group, the Romania-based toys and games distributor and cardboard games producer, from Balkan Accession Fund, a private equity fund of Axxess Capital, the Romania-based private equity and venture capital firm and Constantinescu family for an undisclosed consideration.
ProService Agent Transferowy	Poland	Highlander Partners	Oaktree Capital Management LP; Cornerstone Partners Sp. z o.o.	February 2016	n/a	100%	Cornerstone Partners Sp. z o.o., the Poland-based venture and private equity firm and Oaktree Capital Management LP, the listed US-based private equity firm, have agreed to acquire ProService Agent Transferowy sp. z o.o., the Poland-based provider of professional support services of transfer agency, accounting and IT solutions for financial institutions, from Highlander Partners, L.P., the US-based private equity firm, for an undisclosed consideration.
Provus Service Provider S.A.	Romania	Innova Capital Sp. z o.o.	Wicard AG	February 2016	32	100%	Wirecard AG, a listed Germany-based company engaged in providing electronic payment and risk management applications, has acquired Provus Service Provider S.A., a Romania-based company engaged in issuing ATM card and processing services, volume printing and card personalization services to banking, retail and telecom sectors, from sellers including Innova Capital Sp z o.o., a Poland-based private equity firm, for a cash consideration of EUR 32m.

Fund raising

Company	Fund	Value (EUR m)	Status	Time	Description
Genesis Capital	Genesis Private Equity Fund III (GPEF III)	80	Closed	September 2016	Czech private equity firm Genesis Capital has closed its SME-focused private equity fund Genesis Private Equity Fund III (GPEF III) just above its \$80m target.
Arx Equity Partners	Arx CEE IV	54	First close	July 2016	Arx Equity Partners held a first close on €54m for its fourth buyout fund. Arx CEE IV is targeting €100m for investments in the region and has raised €54m at first close with a total of €66m in subscribed commitments.
Advent International	Advent International GPE VIII Limited Partnership	12 000	Closed	March 2016	Advent International, a global private equity investor, announced that it has completed fundraising for Advent International GPE VIII Limited Partnership ("GPE VIII" or the "Fund"), reaching its hard cap of \$13 billion (€12 billion) after six months in the market. Advent's previous global fund, GPE VII, closed on \$10.8 billion (€8.5 billion) in 2012.

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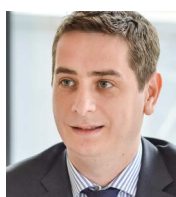
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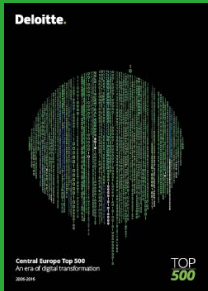
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Additional resources



CE Top 500

www.deloitte.com/cetop500

The Deloitte Central Europe Top 500 is our essential annual publication that provides insights into the key factors affecting the corporate business community across the 17 countries of the Central European region plus Ukraine. It includes a ranking of the region's 500 largest companies and financial institutions, analysis of the ranking by industry, information on our Index of Success award and winning companies, and insights on industry trends and challenges from executives from some of the region's largest companies.



CE CFO Survey

www.deloitte.com/cecfo2016

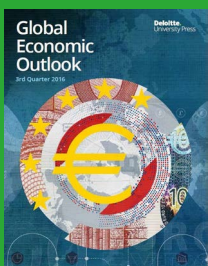
This annual questionnaire tracks the latest thinking and actions of CFOs representing largest and most influential companies in the Central European region. It explores top-tier CFO issues across four areas: business environment, company priorities and expectations, finance priorities and personal priorities. The findings discussed in this report represent the opinions of almost 500 CFOs based in 11 Central European countries: Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Lithuania, Poland, Romania, Serbia, Slovakia and Slovenia.



CE Corporate R&D Report

www.deloitte.com/cerdreport

The Deloitte CE Research & Development (R&D) report aims to map the attitudes of companies in Central Europe with regard to investing in R&D. It also helps find out what difficulties companies face in the R&D area, how they protect their know-how and what kind of government support they mostly use. This is the fifth consecutive R&D survey, mapping the situation in 10 Central European countries (Croatia, the Czech Republic, Estonia, Hungary, Lithuania, Latvia, Poland, Romania, Slovakia and Slovenia). More than 400 respondents took part in the survey.



Global Economic Outlook Q3 2016

<http://dupress.deloitte.com/dup-us-en/economy/global-economic-outlook/2016/q3.html>

In this third quarter edition, Deloitte's team of global economists offer their views on the United Kingdom, Eurozone, United States, China, Japan, Brazil, Mexico, South Africa, India, and the economic implications of oil price fluctuations.



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