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Emerging Europe M&A Report 2015/16

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Contents

Whilst the 2015 global M&A market saw more deals with more value than any year since 2007, the CEE M&A market as a whole was tempered. Poland, Hungary, Serbia and Bosnia and Herzegovina saw an increase in deals - both value and volume - from 2014. As a whole, CEE deal volume and value were down on 2014.

The situation in Crimea and Eastern Ukraine, along with sanctions imposed on Russia, continues to depress M&A activity in Russia, which historically has been one of CEE's busiest M&A markets. As confirmed in the CMS European M&A Outlook (October 2015), the market sentiment is split as to how the deteriorating Russian vis-a-vis EU/USA relations may impact M&A in CEE. Some believe the situation hinders investment into the wider CEE region. Others believe it has no effect, or in fact benefits the broader region, as investment is diverted to EU countries within CEE.

The most active foreign investors in CEE in 2015 were from the US. This is not surprising, given the strength of the dollar against the euro, and is a consistent trend across the European M&A market. A new wave of investment from China and a developing interest from South Korea were also apparent.

CEE as a region continues to become more fragmented. Political changes can be seen to have a direct, and often immediate, impact on the levels of new investment and the sustainability of existing investments by both private equity and strategic investors in individual markets. This has been witnessed in Hungary over the recent years and there is much speculation about the development of the Polish market after the recent change of government. The net result for the region may be neutral, however, as investment is simply diverted to other CEE countries, rather than withdrawn.

A sustained increase in M&A activity in the real estate market was witnessed in 2015 in many of the core CEE countries such as Poland, Czech Republic and Hungary. Both deal volume and value was high, as large private equity houses secured portfolio investments and mid-market deal flow from more traditional real estate investors surged. This is expected to continue in 2016.

We trust that you will find this report useful and encourage you to contact our local teams for additional up to date market insight and advice.

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League Tables

CEE Legal Advisers for 2015

Firm	Number of deals
CMS	56
Dentons	50
Schoenherr	27
Sorainen	25
White & Case	23
Baker & McKenzie	22
Domanski Zakrzewski Palinka	22
Wolf Theiss	20
Allen & Overy	19
Clifford Chance	18

League Tables were generated using the LeagueBoard tool available in EMIS DealWatch. The criteria used for crediting the advisers for the purpose of these league tables include:

- deal announcement date: 1 January - 31 December, 2015
- Emerging Europe geographic area, understood as the dominant country of operations of the deal target or the location of its main assets, covers: Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Kosovo, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey and Ukraine
- deal value (excluding net debt): at least USD 1m; for commercial real estate deals at least USD 5m
- deals with unspecified value were taken into account
- advisors on the local aspects of global deals are credited pro rata based on the deal value attributable to the said aspects, if this value is known or can be fairly estimated
- exclusions: rumoured or failed deals, stock exchange deals, convertibles issues, share buybacks, internal restructurings, joint ventures (unless tangible non-cash assets are exchanged), and employee offers.

The ranking was created based on deal advisory information available, according to our best knowledge as of 7 January, 2016. The data can be subject to updates.

Emerging Europe: Overview

Despite 2015 being regarded as record-shattering for global M&A, stronger deal flow more or less bypassed emerging Europe once again.

Throughout 2015, the region was subject to constant political and economic shocks such as the unrest in Ukraine, the Greek debt crisis, the influx of migrants from Middle East and Africa, the risk of deflation and the looming prospects of a Brexit.

Yet, all these factors did not hinder M&A to the extent one would expect. Emerging Europe persevered somewhat, with a small decline in announced deals to 2,138; albeit coupled with a sharper slump in total transaction value from EUR 62.8bn to EUR 53.5bn. Manufacturing was again the most targeted sector with 343 deals, followed by telecoms & IT and real estate with 298 and 263 deals, respectively.

Private equity transactions were on the rise in 2015, the largest ones attracting predominantly US and UK investors. A total of 288 deals was announced (a 16% increase), more than half of which constituted new PE entries.

The number of real estate deals was down by 6% to 263, worth a combined EUR 8bn. 64 of them targeted commercial properties and related sector companies in Poland. (As of 2015, real estate deals also include hotels and logistic properties. 2014 numbers have been adjusted accordingly.)

Much of emerging Europe's overall decline was once again attributable to Russia, where counter-sanctions against the West and collapsing oil prices forced Schlumberger to abandon its planned EUR 1.5bn bid for the largest local onshore driller Eurasia Drilling Company, and ConocoPhillips to exit the country completely. Nevertheless, Russia accounted for 32% of all transactions in emerging Europe and for 35% of total deal value. Bigger deals are expected for 2016, notably Telenor's anticipated sale of a third of Russian mobile operator VimpelCom for around EUR 2bn.

Turkey boasted the region's largest deal in 2015, the EUR 2.8bn acquisition of local Finansbank by Qatari lender QNB, but M&A in the country was down overall, suffering from political uncertainty and a plummeting exchange rate. Privatisations in the Turkish energy sector will continue into 2016, with many hydroelectric plants scheduled for sale in the first months of the year.

Poland put up a strong performance in 2015 and prospects remain good for 2016. The Greek and Islandic owners of local mobile operator P4 have been considering an exit for a long time, and a EUR 1.8bn disposal could happen by mid-2016. Meanwhile, UK-based private equity firm CVC said it is ready to spend EUR 100m on Polish investments and could set aside as much as EUR 1bn for investment in the country.

In Hungary, the state was again one of the most active M&A players, but the sale of government-owned MKB Bank was delayed to the second half of 2016. The deal could involve a listing on the local bourse after MKB's distressed assets are spun off. The Hungarian unit of Sberbank is also up for sale, following the disposal of the lender's Slovak operations in December.

Other expected bank deals include GE Money Bank in the Czech Republic, Raiffeisen Banka, Gorenjska Banka and Sberbank's unit in Slovenia, the planned IPO of Serbian top lender Komercijalna Banka, the scheduled privatisation of Adabank in Turkey, the IPO of BIN Bank in Russia and the sale of Commercial Bank Victoria in Bulgaria. Overall, in 2016 the sector will be likely driven by disposals of local branches of Greek banks and the exits of Western lenders from less profitable markets.

Telecoms M&A in emerging Europe disappointed with a dearth of large deals this year. After the cancelled privatisation of Telekom Srbija, the local government announced it will reorganise the company in the hope of receiving higher bids later in 2016. Telekom Slovenije is likely to follow suit after UK private equity buyer Cinven decided to pull out of its initial EUR 850m offer. The telecom company is not presently on Slovenia's privatisation list, but the state could further evaluate the prospects of a renewed sale. In Romania, Deutsche Telekom's local subsidiary hangs in the balance between a full ownership by its parent and a public privatisation process, while in Bulgaria incumbent operator Vivacom is to change hands early in 2016, on the back of regulatory approval of a transaction signed in late 2015.

In the oil & gas sector, falling commodity prices have not yet lead to increased activity in regional M&A. Quite the opposite – the number of related deals in emerging Europe was down by more than 30% in 2015. However, a continued plunge of oil prices throughout 2016 may revive the M&A scene, forcing smaller sector companies in Russia to seek asset sales or consolidations, while major players hunt for bargain purchases.

Looking ahead to 2016, we expect a year of respite for emerging Europe M&A. Political risks remain, but many external shocks have been curbed or at least taken into account. Prospects for Poland seem mildly positive, in Southeastern Europe Romania will remain the regional leader, and the outlook for Slovenia and Croatia is also healthy. Activity in Turkey could pick up in 2016 after a parliamentary majority was again established following the November elections. On the private equity front, ripe portfolios and a flight to higher returns are likely to spur deals in the region.

The US Federal Reserve's recent decision to start raising interest rates for the first time in a decade may up the cost of M&A financing. Nevertheless, the impact on currency exchange will be stronger, contributing to a further slip of the euro against the dollar and positioning US buyers for a very fruitful venture into emerging Europe in 2016. Increasing investment appetite from China could additionally help push the region's four-year downward trend towards a reversal.

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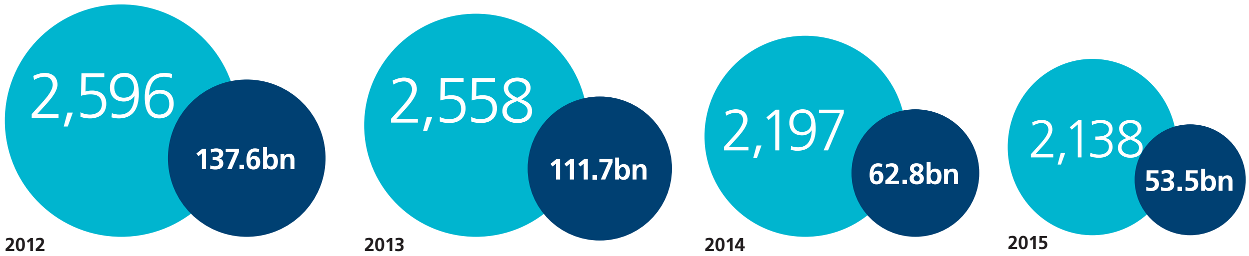
Deals by Value and Volume (2012-2015)



● Number of deals ● Total value of deals (EUR)

The UniCredit Tirac deal for an estimated amount of EUR 700m was reported by the media in 2014 but formally announced in 2015. It was excluded from the aggregated deal value for Romania for 2014 and included in 2015 instead.

Number of deals by sector in 2015

Manufacturing
343

Telecoms & IT
298

Real Estate
263

Finance & Insurance
245

Wholesale & Retail Trade
201

Services
163

Food & Beverage
113

Utilities
112

Other
400

The investment landscape in central and south-eastern Europe

William Wells, Executive Vice-Chairman, Central and Eastern Europe, Rothschild

The economic backdrop offers many positives and no reasons to assume the region will not continue to grow steadily in the coming years. Importantly, the quality of business has improved markedly. However, a number of significant structural issues will impact on how investment and business opportunities develop, including concerns around the banking system, inadequate infrastructure and economic nationalism. This article highlights some of the abiding themes affecting the outlook for central and south-eastern Europe.

Investor perception

Whereas countries in central, eastern and south-eastern Europe used to be consolidated together as an asset class, the picture is now much more fragmented in terms of risk perception and market maturity. Central and eastern Europe includes investment grade or prospective investment grade countries. South-eastern Europe on the other hand, presents an entirely different risk profile, with some non-EU Member States, more leisure and consumer-based and agricultural economies and greater exposure to the fallout of the Greek crisis. It has probably always been incorrect to regard the region as a coherent investment area and it is clearly wrong now.

Market size

Corporates and investors are increasingly thinking in terms of regional clusters, mostly because of the practicalities of running a business. If you are a consumer business in the Czech Republic, you very easily think about southern Poland and parts of Austria as your natural market. A tourism investor looking at Croatia will think in terms of the Adriatic and naturally also look towards Italy, Slovenia and parts of Greece. More and more people think in terms of regional strategies, partly as a convenience in managing their businesses and to make sure they are conveniently located. Where local players reach the limits of growth in their home markets, they consider diversifying and de-risking their businesses in their immediate region and in some cases further afield. On the back of this, we are seeing the emergence of some major international investor groups that are based in Central Europe.

Infrastructure

There is still an extremely long way to go in modernising infrastructure, which is hindering investment. For instance, the continued successful development of tourism in Croatia and Slovenia depends on upgrading roads and smaller airports. We see significant activity in this area, but more investment is required in road, rail, ports and airports to support the local economies through improved regional and wider European connections. Meeting the substantial infrastructure investment challenge will depend on the successful delivery of the current and subsequent EU transport infrastructure funding programmes, which should serve as a catalyst for private investment in infrastructure.

Generational change

There are a large number of hugely successful entrepreneurs, who launched their businesses following the fall of the Berlin Wall and are looking to change the capital structure of their business or cash out in the absence of suitable family succession options. This will bring in a great many investment opportunities for corporates, private equity funds and others. The impact of this generational change will likely be felt for several years.

Economic nationalism

Economic nationalism is a growing theme across all of Europe. It is not a specifically central and eastern European phenomenon and it is not new (look at central and south-eastern Europe in the late 1920s and 1930s); but in the context of the liberal markets philosophy of the EU it can be contentious. Developments in Hungary and, more recently, in Poland have dominated press coverage, but the trend is present in different forms and for different reasons in Serbia, Slovenia, Greece and elsewhere. The crucial question for the future is to what extent these countries will become, or be perceived as, less open economies. It will be interesting to see where investment flows go. For instance, there is a sense that the Czech Republic and Slovakia are beneficiaries of Chinese and Japanese investment as they may be seen as less complicated politically than, say, Poland or Hungary. That doesn't mean people will not invest in Poland or Hungary, but we have to see how they will differentiate and price the risks.

Savings and pensions

Whereas many pension systems have been net money accumulators for several years, the trend is now for them to become net distributors as the population ages. In addition, employment flight to western Europe may mean that a proportion of young, affluent earning capability is not feeding into the existing local savings and pension systems. The overall effect is a reduction in the level of savings available for investments in stock markets. Moreover, investment limited to local currency zones and therefore limiting investment choice is reducing. The days of significant amounts of institutional money with nowhere else to go have long gone. But this also means greater inter-dependency across the EU – with the benefits this can bring.

Banking system

The banking system shows great variation. Liquid banking systems are found mostly in central Europe, particularly the Czech Republic and Poland. Banking systems in south-eastern Europe are more constrained due to the effective withdrawal of the Greek banking groups and the reorganisation of some of the Austrian and Italian banking groups. The availability of credit provides another clear basis to distinguish central from south-eastern Europe.

Investor countries

While it is hard to identify a uniform theme, there is a resurgence in Asian interest, principally from China and Japan. Japanese corporates are looking at growth opportunities outside of their "zero growth" home market. Chinese companies seem to have a clear brief to export capital to central Europe. There is definitely a much higher flow of Chinese money, some of it tying up with local investors. US interest will likely continue, though more appropriately defined as European as it involves investments by global funds largely managed in Europe.

Russia

Developments in relation to Russia have clearly had an impact, particularly in central Europe. Businesses with significant exposure to Russia, for instance exporters of premium branded products, have had a difficult time, although that is more or less coming to an end assuming we see no further dramatic events. Many businesses which operated as intermediaries between Russia and eastern and western Europe have adjusted successfully. Investors with assets contained within the rouble zone are simply managing the situation as best as possible. The situation remains dynamic and complex, particularly in the energy and utilities sector. Russia as a source of growth for central Europe acting as a bridge to Russia is essentially on hold for the foreseeable future.

No one should lose sight of how far these once "emerging markets" have come in the last 25 years or so. It does not make them easy places in which to operate for advisory services but they just grow in scale, sophistication and appetite for financing and investment. They are "just" Europe – like the rest of Europe, interesting, invigorating with characteristics borne of geography, economic structures and history.

This article is based on a 6 January 2016 interview with William Wells, Executive Vice-Chairman, Central and Eastern Europe at Rothschild, overseeing all of Rothschild's business in central and south-eastern Europe. Rothschild has been active in the region since the 1830s.

Real estate overview

Encouraging prospects for the commercial real estate sector

2015 was a much improved year for the commercial real estate sector across CEE. Investors continued to hunt for high quality, income producing properties located in big cities and/or rented to high quality tenants under long term leases. In addition, 2015 saw increased interest in 'riskier' assets; both in terms of countries and locations within countries. All commercial property sectors, retail, industrial (logistics) and offices, were busy.

Transaction volume increased in several countries across the region. The Czech Republic was a clear leader, attracting the interest of many investors after several relatively weak years. Investment activity in Hungary also grew significantly in 2015, while Poland enjoyed a steady flow of deals, continuing a trend from previous years. Slovakia and Romania saw an increased interest from investors for the first time since 2008, while Bulgaria and Ukraine remained relatively quiet.

These trends should continue in 2016. High quality product will most probably continue to attract long term investors in CEE and the price of such properties is expected to remain high. Faced with a shortage of high quality product, investors will continue to look for riskier ventures, offering higher returns. The Czech Republic will continue to rank highly among institutional investors because of its political stability and predicted economic growth. Hungary should also attract more investment, as its economy continues to grow and relatively low real estate prices create opportunities. Romania has the potential for an investment boom. A big unknown is Poland, where recent political changes have resulted in uncertainty. The markets will be watching the approach of the new government to foreign investors and the impact of increased social spending on budget deficits. Ukraine may become an interesting place for investors if and when the conflict ends. No significant changes are expected in other countries.

As CEE countries depend on foreign investment for their development, the impact of the condition of the world economy will be significant for the region and may influence change.

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Top 20 Deals in Real Estate 2015

Target Company	Deal Type	Country of Target	Buyer	Country of Buyer	Deal Value (EUR m)
TriGranit Zrt	Acquisition (n.a. %)	Hungary; Poland; Slovakia; Croatia	TPG Capital	United States	500.0[1]
CH Riviera shopping centre in Gdynia	Acquisition (100%)	Poland	Union Investment Real Estate GmbH	Germany	291.0[2]
Stary Browar shopping centre	Acquisition (100%)	Poland	Deutsche Bank AG	Germany	290.0[1]
Modny Sezon shopping gallery	Acquisition (93.4%)	Russia	Sulena Holdings Ltd	Cyprus	284.1[1]
PNK-Chekhov	Acquisition (100%)	Russia	BIN Group	Russia	270.2[1]
Echo Investment SA	Minority Stake Purchase (41.6%)*	Poland	PIMCO; Oaktree Capital Management LP	United States	260.5[3]
Sadovoe Koltso (Oruzheyny business centre)	Minority Stake Purchase (49.9%)	Russia	MegaFon	Russia	247.4[2]
Shopping & Leisure Mall Mozaica	Acquisition (n.a. %)	Russia	Vnesheconombank (VEB)	Russia	241.2[1]
Karolinka shopping centre; Pogoria shopping centre	Acquisition (100%)	Poland	Rockcastle Global Real Estate Co Ltd	Mauritius	220.8[2]
City Land Group Company LLC	Acquisition (43.2%)	Russia	VTB Group	Russia	212.2[1]
MOM Park shopping centre; West End Business Centre; EMKE office building	Acquisition (100%)	Hungary	Morgan Stanley & Co LLC; WING Ingatlanfejleszto es Beruhazo Zrt; CC Real	United States; Hungary; Austria	200.0[1]
Beykoz Gayrimenkul (Ronesans Tower)	Acquisition (100%)	Turkey	Allianz SE	Germany	185.3[1]
Logistics portfolio of IMMOFINANZ (excl. Germany)	Acquisition (100%)	Hungary; Poland; Romania; Russia; Slovakia	The Blackstone Group LP	United States	178.0[3]
Office building of 50,000 m2 at Metropolis complex in Moscow	Acquisition (100%)	Russia	Hines Interests LP; PPF Group NV	United States; Czech Republic	165.1[1]
Vozdvizhenka Centre	Acquisition (100%)	Russia	BIN Group	Russia	163.0[1]
Real estate portfolio of Northern Horizon in the Baltics and Poland	Acquisition (100%)	Estonia; Latvia; Lithuania; Poland	Partners Group AG	Switzerland	163.0[2]
Silesia Business Park A; Silesia Business Park B; Kapelanka 42 office building; Axis office building	Acquisition (100%)	Poland	Niam AB	Sweden	160.0[2]
255,000 m2 logistics park in Prague	Acquisition (100%)	Czech Republic	AEW Europe	France	150.0[2]
Four Seasons Hotel Moscow	Acquisition (100%)	Russia	Yury Khotin - private investor; Aleksey Khotin - private investor	Belarus	144.0[1]
Office building at Metropolis complex in Moscow	Acquisition (100%)	Russia	Hines Interests LP; PPF Group NV	United States; Czech Republic	113.2[1]

1. Market Estimate
2. Official data
3. EMIS DealWatch Estimate

Note: Real Estate deals include developers and property managers, as well as offices, hotels, logistic properties and malls, but not residential properties or vacant land plots.
* The buyers subsequently acquired another 20.6% and 3.8% in Echo Investment through a tender offer and a block deal on the Warsaw Stock Exchange, upping their initial stake to 66%.

Capital markets overview

Poland to remain leader among CEE trading floors in 2016

Polish capital markets in 2015 were influenced by the reform of open-end pension funds (OFE), resulting in a reduction of the capital they can allocate to investments in shares listed on the Warsaw Stock Exchange (WSE). The OFE reform, in particular in view of parliamentary elections and the change of government in Poland, raised serious doubts about the future condition of the stock market and the institutional framework of trading in financial instruments. Consequently, Polish capital markets in 2015 saw reduced interest among investors and a decreased volume of completed transactions. However, a few recent successful IPOs and an evident increase in the number of company owners (whether entrepreneurs or private equity funds) considering dual track sales via an auction and an IPO on the WSE provide a good basis for an expected upward trend in 2016.

Although the WIG20 index dropped to its lowest level in six years and ended the year down over 30%, the number of IPOs on the WSE remained steady. There were almost 30 listings with a total value of more than EUR 400m. As the WIG20 index is mostly comprised of banks and companies from the energy sector, the uncertainty related to the parliamentary elections, structural problems in the energy sector and the introduction of a so-called bank tax resulted in a loss of investor interest in those companies and a decline in the index. However, falls in key indices are common in emerging markets. The Budapest Stock Exchange index (BUX), which gained more than 40% during the last twelve months, seems to be the only exception. The performance of the Hungarian market shows that it is still possible to offer investors opportunities with the prospect of high returns.

There remains a tendency for CEE based issuers to prefer listing shares on local stock exchanges. However, developments in Hungary suggest this may be changing. Recently, the Hungarian low-cost air carrier Wizz Air decided to list on the London Stock Exchange. The total valuation of Wizz is GBP 601m. This seems a good opportunity for domestic companies to find foreign investors and may be the start of a new trend within CEE.

The WSE remains at the forefront of CEE exchanges in terms of number of listed companies, as well as capitalisation and value of trading, and Poland continues to aspire to be considered a developed market. IPOs conducted in Poland represent more than half of the largest IPOs in the region. Significant mid and high value transactions include the IPOs of Uniwheels, Wirtualna Polska S.A., KOFOLA ČESKOSLOVENSKO, Enter Air S.A., Wittchen S.A. and InPost S.A. These transactions confirm that there is a place for financially stable and well managed companies on the capital markets. The WSE, the leading financial instruments exchange in CEE, is still ahead of the other CEE stock exchanges, which can be classified as emerging.

In conclusion, the prospects for 2016 are good, as CEE capital markets are developing very quickly. Poland is the strongest capital market in the region with a record number of offerings. Recent transactions suggest it will remain the leader among CEE trading floors and will sustain the upward trend in 2016.

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Top 20 Emerging Europe IPOs 2015

Target Company	Country of Target	Sector	Stake (%)	Deal Value (EUR m)
Wizz Air	Hungary	Transportation & Warehousing	51.4	421.2[2]
Credit Bank of Moscow	Russia	Finance & Insurance	18.8	212.0[2]
United Wagon Company	Russia	Manufacturing	12.2	157.1[2]
Uniwheels AG	Poland	Manufacturing	38.7	125.8[2]
Wirtualna Polska Holding SA	Poland	Telecoms & IT	32.5	72.5[2]
Idea Bank SA	Poland	Finance & Insurance	13.5	64.2[2]
Novorossiysk Bread Products Plant	Russia	Transportation & Warehousing	10.8	48.7[2]
Europlan	Russia	Services	25.0	43.5[2]
Atal SA	Poland	Real Estate	16.8	34.6[2]
InPost SA	Poland	Transportation & Warehousing	42.0	28.6[2]
Kofola CeskoSlovensko as	Czech Republic	Food & Beverage	6.8	28.3[2]
Tankerska Next Generation dd	Croatia	Transportation & Warehousing	44.4	26.8[2]
Enter Air SA	Poland	Transportation & Warehousing	39.9	22.6[2]
Pekabex SA	Poland	Manufacturing	30.4	17.9[2]
Verusaturk Girisim Sermayesi	Turkey	Finance & Insurance	42.3	16.8[2]
AAT Holding SA	Poland	Manufacturing	30.0	13.6[2]
Wittchen SA	Poland	Manufacturing	18.0	13.1[2]
Private Equity Managers SA	Poland	Finance & Insurance	12.4	11.2[2]
INVL Technology AB	Lithuania	Telecoms & IT	49.8	10.0[2]
Braster SA	Poland	Manufacturing	46.3	9.6[2]

1. Market Estimate
2. Official data
3. EMIS DealWatch Estimate

Albania

Reforms support continued growth in 2016

Number of deals by sector in 2015

Finance & Insurance	Manufacturing	Services
3	1	1

The first quarter of 2015 saw a slight increase in foreign investment in Albania compared to the previous year. This suggested a recovery in the market, although overall the total deal value was somewhat lower than 2014. The high level of public debt (in excess of 70% of GDP) remains a key macroeconomic risk.

Finance and insurance were the most active sectors for M&A in 2015. Crédit Agricole Albania was acquired by Tranzit Sh.p.k., a subsidiary of NCH Capital Inc.; and late in November Credins Bank Sh.A merged with its subsidiary Credins Leasing Sh.A.

In February 2015, Alvacim Ltd, a subsidiary of the multinational cement and building materials company Titan Group, purchased 20% of the share capital held by the European Bank for Reconstruction and Development (EBRD) in ANTEA CEMENT SHA, a Titan Group subsidiary in Albania. Currently, Titan Group is ANTEA's majority shareholder, holding 80% of ANTEA share capital. The International Finance Corporation holds the remaining 20%.

We expect the Albanian economy to continue to grow in 2016 and inflation to stabilise at a low level. The government is committed to continue on a path of fiscal consolidation to lower debt levels, with a corresponding decrease in vulnerability in the economy.

The government signed a EUR 250m credit agreement with Deutsche Bank and Alpha Bank in April 2015 to finance public investment and construction, and recently implemented important reforms in the energy sector and in relation to tax and pensions. A reform of the tax system came into force on 1 January 2016, aimed at driving growth by exempting smaller business from tax or reducing their tax burden. In addition, the government plans a comprehensive reform of the judicial system in the course of the year.

Agriculture and tourism remain the largest and most important sectors in Albania. Agriculture alone represents 22% of GDP and will benefit from an agreement between the government and EBRD to support agricultural lending over the next three years.

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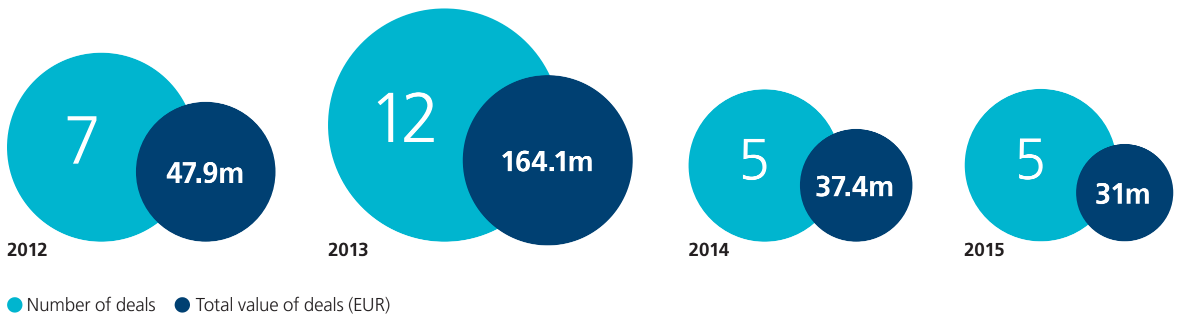
> We expect the Albanian economy to continue to grow in 2016 and inflation to stabilise at a low level.

Deals by Value and Volume in Albania (2012-2015)



Bosnia and Herzegovina

Market recovery dependent on implementation of reform measures

Number of deals by sector in 2015

Sector	Deals
Manufacturing	6
Finance & Insurance	4
Food & Beverage	3
Real Estate	2
Media & Entertainment	1
Services	1
Telecoms & IT	1
Construction	1
Utilities	1

Continuing a trend from the previous year, recovery in the M&A market was slow in 2015, mainly due to political instability and the absence of necessary reforms.

The reform agenda Compact for Growth and Jobs, presented in 2014, outlined economic reform measures, including amendments to the tax system, more open and competitive markets and reduced burdens for business start-ups. However, the implementation of these measures has been very slow. In terms of legislation, further harmonisation with EU legislation is expected following the entry into force of the Stabilisation and Association Agreement.

As in the previous year, major transactions happened in the food and retail sectors. The AS Group, active in the food, retail and textile sector, acquired control over Klas and Sprind, two major local companies in the food sector. In addition, the Bosnian-Herzegovinian retail group Bingo continued its major expansion by acquiring six properties (comprising nearly the entire business) of the retail chain TUŠ, having already acquired the retail chain Interex. Another transaction involved the acquisition by AMC Networks Central Europe of the TV network OBN. In the financial sector, ASA Finance acquired control of Investiciono-komercijalna banka Zenica and ZIF Zepter Fond. Banja Luka was purchased by Thaler Vermagensverwaltung GmbH.

Privatisation of several state owned companies is planned and developments in this regard are expected in 2016. These include the sale of minority shares in Bosnalijek (a pharmaceutical company), Energopetrol and Krajinapetrol (petrol retailers), Aluminij (aluminium producer), Fabrika Duhana Sarajevo (tobacco products manufacturer), and Sarajevo Osiguranje (insurance company), as well as a majority share in Energoinvest (engineering company in electric power, hydro civil construction and architecture, automation thermal power and process plants and communication technologies). Planned concessions for the construction and management of a section of the Motorway 5C appear to have been abandoned.

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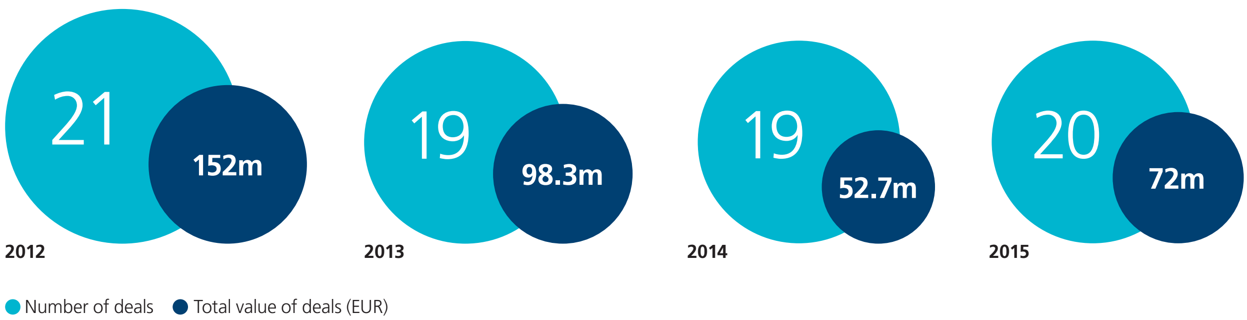
Deals by Value and Volume in Bosnia and Herzegovina (2012-2015)



Bulgaria

A positive outlook following significant transactions late in 2015

Number of deals by sector in 2015

Telecoms & IT 14	**Manufacturing** 11	**Media & Entertainment** 7
Wholesale & Retail Trade 7	**Real Estate** 6	**Finance & Insurance** 6
Food & Beverage 3	**Services** 3	**Other** 6

In Bulgaria, some key transactions postponed in 2014 completed in 2015, including the acquisition of Blizoo by Telekom Austria and the acquisition of a majority stake in the Bulgarian IT company Fadata by Charles Taylor and private equity fund The Riverside Company. Overall, the number of deals completed decreased slightly, and the Bulgarian M&A market dropped considerably in total deal value.

Consistent with CEE regional trends, the most attractive sectors in 2015 were telecoms & IT, followed by manufacturing, retail and media & entertainment. The quick sale of the Bulgarian Telecommunications Company (Vivacom) by VTB Capital to Bulgarian businessman Spas Roussev, signed in the fourth quarter of 2015 (to complete in early 2016, following regulatory approval) was the largest deal in the sector in 2015. Private Equity deals, most notably the aforementioned Fadata transaction and the sale by Advent International of its stake in KAI Group to American strategic Mohawk Industries, Inc., took a prominent place on the market.

In 2015, the Greek crisis, a local banking crisis and the conflict between Russia and Ukraine had a negative impact on investor interest in Bulgaria. Certain of these problems are expected to continue in 2016.

Nethertheless, the Bulgarian economy is expected to grow modestly in 2016, and optimism prevails in light of the signing of a few significant M&A transactions late in 2015.

Corporations have record amounts of disposable cash available to support expansion and funds have accumulated significant resources for M&A and strategic partnerships. 2016 is expected to see increased M&A activity in the banking sector with several Greek banks looking to consolidate or sell non-strategic assets or non-performing loan portfolios, and continued redistribution of the assets of the insolvent Corporate Commercial Bank. We expect more exits by private equity funds, a continuing trend since 2013 in Bulgaria and across the region. We expect M&A activity in the telecoms & IT sector, and investment in the real estate sector to continue. Investors will continue to seek out companies with well-developed manufacturing and exporting capabilities, as well as smaller companies that offer smart solutions and high added value.

The overall outlook is positive. Whereas the economy will see only modest growth, the relatively stable political environment will contribute to M&A activity in the market.

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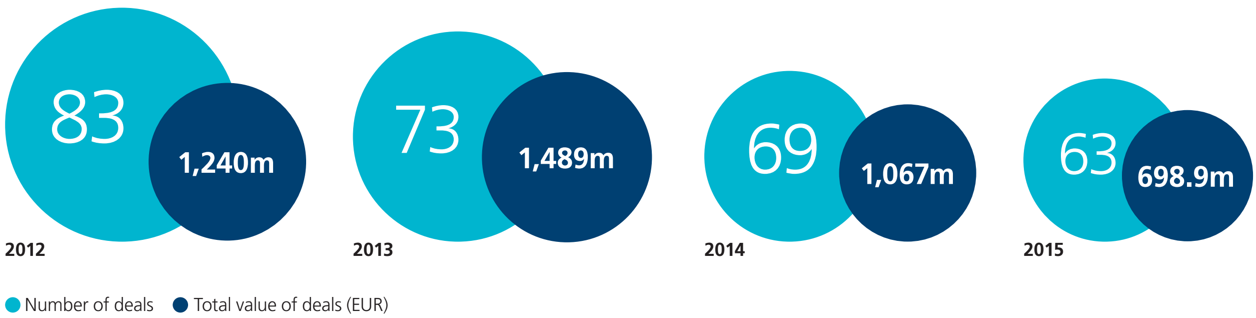
Deals by Value and Volume in Bulgaria (2012-2015)



Croatia

A new government and revamped privatisation process to shape Croatian investment landscape in 2016

Number of deals by sector in 2015

Sector	Number of deals
Real Estate	9
Manufacturing	8
Finance & Insurance	6
Wholesale & Retail Trade	5
Food & Beverage	3
Telecoms & IT	3
Media & Entertainment	2
Agriculture, Forestry, Fishing and Hunting	1
Other	4

In 2015, the M&A market in Croatia improved significantly in value compared to recent years, but the public sector again disappointed investors. The motorway concession procedure was suspended and there were rumours that the oil concession procedures would be put on hold. This standstill, also true for other big-ticket state-owned projects, was accompanied by inconclusive results in the parliamentary elections late last year. A three month interim government contributed to a general investment deadlock. A new prime minister designate with a business background and a new government, once installed, are expected to significantly shape the Croatian investment landscape over the next four years.

On a positive note, the private sector was far more active than in previous years. The total value of the top ten M&A transactions in 2015 exceeded EUR 1bn. Prominent deals included the takeover by British American Tobacco of the leading regional tobacco player TDR for EUR 550m; and the largest privately owned agricultural company Agrokor acquiring close to 70% of Vupik.

In 2016, we expect the energy sector to be active, particularly in relation to LNG terminal development, and onshore and offshore exploitation of oil and gas. Tourism-related targets and green field investments are also certain to attract interest in Croatia. We will likely see further privatisations of state-owned companies, including Croatian Post, HEP (national energy company), HŽ Cargo (national railroad company), HAC (national motorway company), all airports, both state-owned banks, the national lottery and facilities with tourist potential (Kupari in Dalmatia, Brijuni and Muzil in Istria, state-owned hotels and former military resorts). In terms of legislation, we should see continued harmonisation with EU law and anticipate further governmental incentive schemes beyond those established by the amendments to the Act on Strategic Investments enacted in early 2015.

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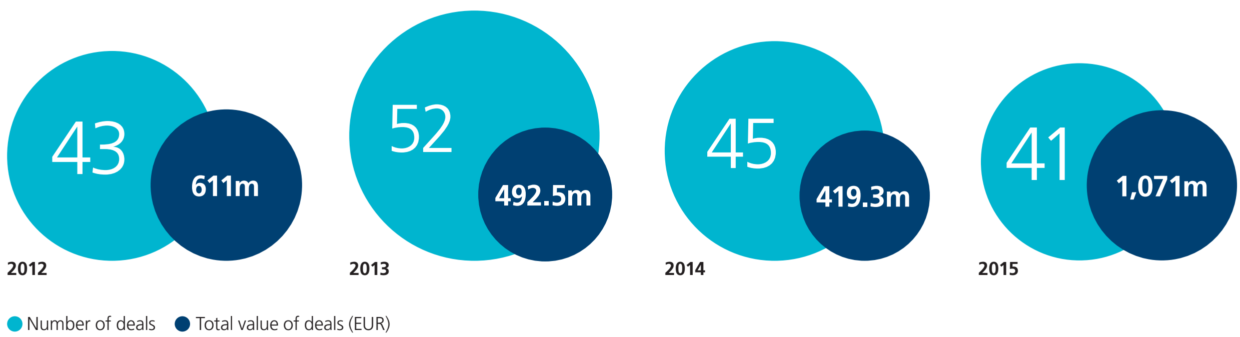
Deals by Value and Volume in Croatia (2012-2015)



Czech Republic

Czech M&A market likely to remain one of the most stable and best performing in the region

Number of deals by sector in 2015

Sector	Number of deals
Real Estate	36
Wholesale & Retail Trade	20
Manufacturing	19
Telecoms & IT	16
Finance & Insurance	10
Utilities	10
Food & Beverage	8
Services	8
Other	16

2015 was another buoyant year for M&A in the Czech Republic. While neither the aggregate deal volume nor value matched those of the previous two years, the country witnessed a healthy deal flow and again saw a transaction with a value in excess of EUR 1bn. Trelleborg's acquisition of Czech tire supplier Česká Gumárenská Společnost (CGS) was in fact one of the largest CEE deals outside Russia and Turkey.

With three robust years in a row, the Czech M&A market is one of the most stable and best performing in the CEE region. We expect this to continue in 2016 and foresee that the Czech M&A market may, in fact, benefit from the political uncertainty that has arisen in Poland and continues in Hungary.

Czech companies remained attractive targets, with a number of established names such as CGS, branded food producer Hamé and e-retailer Netretail (mall.cz) changing hands. Meanwhile, Enterprise Investors opted to dispose of a part of its stake in the popular beverage producer Kofola through a listing on the Prague Stock Exchange.

2015 will also be remembered as the first year to see Chinese investment in the country, which has been the subject of speculation for a long time. After acquiring a stake in J&T Financial Group in spring 2015, China Energy Company Limited (CEFC) went on a shopping spree in the second half of the year and acquired the 5-star Le Palais Art Hotel Prague and a well-known building in the centre of Prague formerly housing Živnobanka. CEFC also acquired minority stakes in a number of companies, including Czech airline Travel Service, football club Slavia Prague and brewer Pivovary Lobkowicz. The Czech government is actively lobbying to attract further Chinese investment and companies in the engineering and heavy industry sectors are likely targets for future deals.

Looking at 2016, there are a number of sectors where we expect to see increased M&A activity. Driven by new regulations such as Solvency II (insurance sector) and the new interchange fee regulation for card-based payments (merchant banking business), and by strategic disposals, the financial services sector is likely to be very active. The retail and consumer products sectors remain vibrant, with a number of players looking to exit the market, while both strategic and private equity investors continue to show interest in companies that own popular consumer brands.

Real estate has been making a very strong comeback over the last 24 months and the Czech market has seen new investors enter the market through the acquisition of local assets. We are likely to see large portfolio transactions feature in the top 10 deals for 2016. In line with the statistics from last year, traditionally strong sectors such as manufacturing and telecoms & IT are also expected to perform well.

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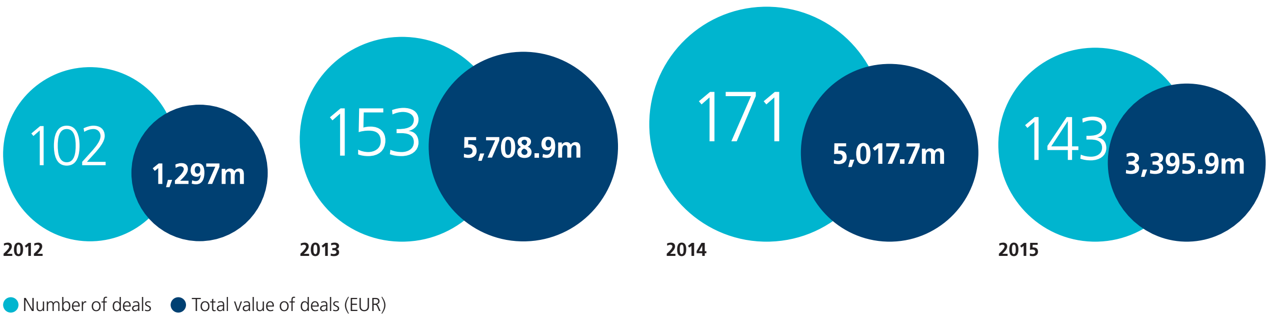
Deals by Value and Volume in Czech Republic (2012-2015)



Hungary

Private buyers returning to a rebounding M&A market despite some concern over sustainable growth

Number of deals by sector in 2015

Real Estate 27	**Manufacturing** 25	**Telecoms & IT** 23
Services 18	**Food & Beverage** 12	**Utilities** 12
Media & Entertainment 11	**Finance & Insurance** 10	**Other** 24

The Hungarian M&A market experienced significant growth in 2015, confounding experts' expectations at the start of the year, with activity approaching levels last seen before the start of the financial crisis in 2008. The number of deals increased by around 15% and the value of deals more than doubled, compared to relatively weak 2014 figures.

The return of foreign and domestic private buyers, all but absent from the market in 2013-2014, was a good sign. Whereas the Hungarian State and state owned entities continued to acquire companies, most of the top ten deals in 2015 involved private transactions. The largest transactions were in the real estate, consumer products, financial services, manufacturing and telecoms & IT sectors.

Market players and professional advisers are on the whole optimistic about prospects for M&A in 2016. The investment environment in Hungary improved over the last few years and Hungary benefited from more active regional, European and worldwide M&A markets. The market has been expecting for some time that investors from BRIC countries, especially China, will become increasingly active in the Hungarian market.

There are, however, concerns about the sustainability of growth. The unchanged Hungarian political climate, sometimes causing friction with fellow EU member states and others, and the prospect of fewer EU funds being made available to Hungary in 2016, may deter foreign buyers and hinder growth.

We expect the Hungarian M&A market to continue to grow moderately in the coming years and to see a number of high-profile transactions. The most active sectors will likely be real estate, telecoms & IT, financial services and energy. There are also some indications that Hungarian capital markets will see more activity, with new listings on the Budapest Stock Exchange.

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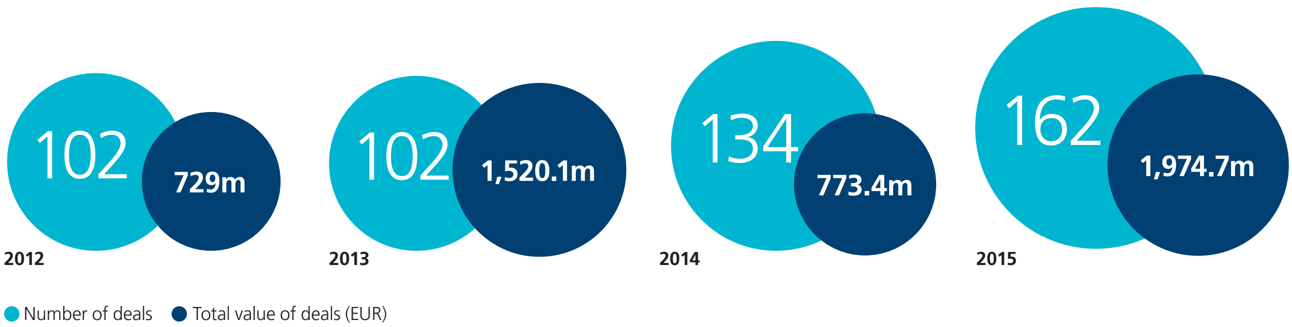
Deals by Value and Volume in Hungary (2012-2015)



Montenegro

Montenegrin M&A market expected to pick up if planned privatisations finally go ahead

Number of deals by sector in 2015

Sector	Number of deals
Finance & Insurance	4
Manufacturing	2
Real Estate	2
Utilities	2
Telecoms & IT	1
Education & Healthcare	1
Wholesale & Retail Trade	1
Services	1
Other	2

In 2015, the tourism, finance & insurance, hospitality and retail sectors were very active. Monte-Rock acquired the hotel resort and casino Maestral in Miločer and retailer Mercator Crna Gora acquired several retail stores from Solaris Kaća.

European Bank for Reconstruction and Development (EBRD) became a minority shareholder in Montenegrin retailer Voli, EBRD's first equity transaction in the country, aimed at boosting the country's agribusiness by stimulating local agricultural producers and allowing them easier access to customers. In addition, EBRD allocated EUR 10m for a major investment in a distribution centre in Podgorica and expansion of its retail network, to incentivise the development of local and regional networks supplying agricultural products in the country.

2016 M&A activity in Montenegro is likely to be driven largely by planned privatisations. The privatisation council is expected to launch tenders for the previously announced planned sale of state-owned stakes in the national air carrier Montenegro Airlines, freight carrier Montecargo, marina operators Marina Bar and Luka Bar, hotel operators Budvanska rivijera and Ulcinjska rivijera, and the Ferrous Metallurgy Institute in Nikšić.

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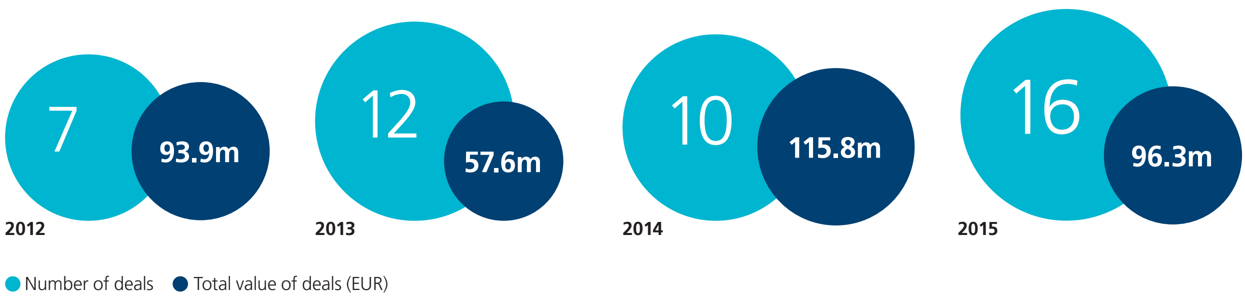
> 2016 M&A activity in Montenegro is likely to be largely driven by planned privatisations.

Deals by Value and Volume in Montenegro (2012-2015)



Poland

Generational change driving mid-market M&A activity

Number of deals by sector in 2015

Sector	Deals
Manufacturing	71
Real Estate	64
Telecoms & IT	55
Services	37
Wholesale & Retail Trade	24
Finance & Insurance	22
Food & Beverage	17
Education & Healthcare	14
Other	42

Poland saw only a handful of large M&A transactions in the course of 2015. The largest transactions were the sale of TVN, the largest private media group to Scripps Networks for PLN 2.4bn, the sale of PKP Energetyka (railway and energy infrastructure company) to CVC Capital Partners for PLN 1.4bn, the sale of Bogdanka (coal mining company) to Enea for approx. PLN 1.5bn and the sale of Alior Bank to Polish state owned insurer PZU for PLN 1.6bn. Two of these transactions (Alior and Bogdanka) saw Polish government-controlled entities acquire private businesses.

The much anticipated consolidation of the banking sector and specific bank sales processes came to a standstill, after the new government announced the introduction of a special "banking tax". The retail sector was similarly affected by the proposed introduction of a special tax on large retailers.

As we predicted at the beginning of 2015, last year was another robust year for the real estate sector, with five transactions valued in excess of EUR 200m. The most notable transactions were the sale of Trigranit's Polish assets to TPG, the sale of CH Riviera shopping centre in Gdynia to Union Investment Real Estate GMBH, the sale of Stary Browar shopping centre in Poznan to Deutsche Bank and the sale of Echo Investment to PIMCO and Oaktree Capital Management. The bulk of M&A activity in the real estate sector was concentrated in the retail and warehousing segments and commercial office space. The trend is likely to continue in 2016, as Poland is still perceived as an attractive market for investing in commercial real estate.

M&A activity was particularly prominent in the mid-market segment, as business owners facing succession issues decided to cash out. The most active buyers were mid-market PE funds present in Poland. We expect this trend to continue in 2016, as generational change in medium size Polish businesses continues to fuel M&A activity. The majority of mid-market transactions will likely happen in unregulated sectors, less influenced by the regulatory and tax incursions of the current government. The overall disappointing performance of companies quoted on the Warsaw Stock Exchange in 2015, driven by political and regulatory uncertainty in the second half of 2015, is also likely to boost M&A activity this year. We also see an increase of company owners (whether entrepreneurs or private equity funds) opting for dual track sales via an auction and an IPO on the Warsaw Stock Exchange.

In addition, 2015 saw a growing trend of leading Polish companies expanding abroad, in particular in other EU countries, with acquisitions by Amica in the UK and Wielton in France.

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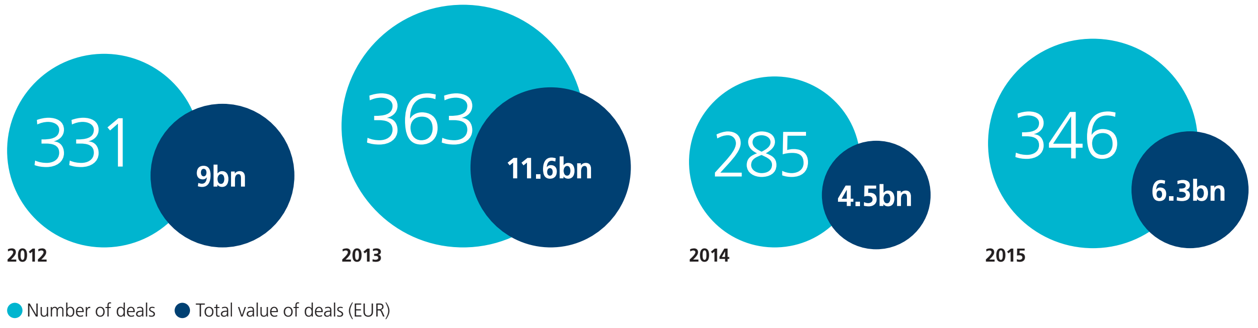
Deals by Value and Volume in Poland (2012-2015)



Romania

Promising prospects following continued strong recovery

Number of deals by sector in 2015

Sector	Number of deals
Manufacturing	19
Real Estate	17
Finance & Insurance	15
Telecoms & IT	15
Wholesale & Retail Trade	13
Education & Healthcare	10
Food & Beverage	6
Mining (incl. oil & gas)	5
Other	19

The Romanian M&A market continued its recovery in 2015. Deal activity remained at a healthy level and the total value of deals increased significantly. A handful of high-value transactions on the market contributed to the highest annual total value of deals for the last six years.

M&A activity in 2015 was largely driven by strategic investment from foreign investors. We saw a healthy level of larger scale cross-border M&A activity, as international businesses expanded their activities in Romania or made their first acquisitions and as others restructured their global portfolios and divested some or all of their assets or business lines in Romania.

In 2015, the financial sector in particular saw high levels of transaction activity and some high value deals, with major deals in the banking (including both sales of banks and the transfer of loan portfolios), insurance and leasing sub-sectors. The most attractive sectors for acquisitions in 2016 will likely continue to be manufacturing, financial institutions and services, telecoms & IT and real estate (including logistics and agriculture).

Romania has the potential to become an increasingly attractive investment destination for regional M&A and is expected to become an interesting market again for private equity investors in the medium/long term. We believe that 2016 will bring continued growth in the Romanian M&A market, dominated by strategic investment and consolidation.

Prospects for 2016 are already quite good. A notable increase in the volume of pre-transaction due diligence and negotiations in the second half of 2015 should translate into significant deals in 2016. The potential in the M&A market in Romania in the years ahead, both in terms of volume and value, is significant.

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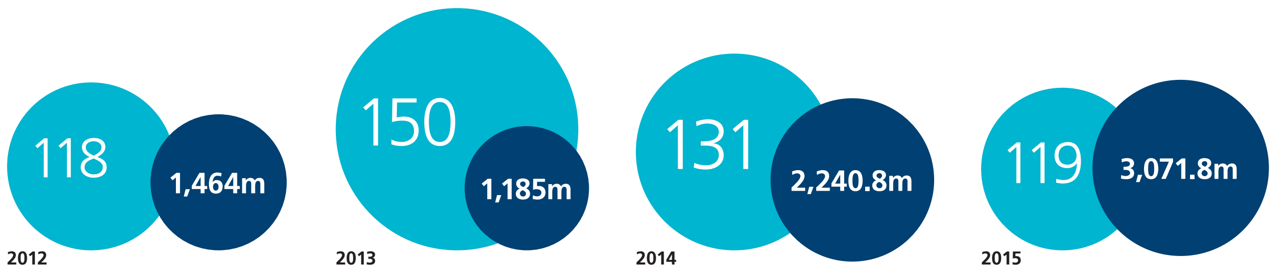
> The most attractive sectors for acquisitions in 2016 will likely continue to be manufacturing, financial institutions and services, telecoms & IT and real estate (including logistics and agriculture).

Deals by Value and Volume in Romania (2012-2015)



● Number of deals ● Total value of deals (EUR)

The UniCredit Tirac deal for an estimated amount of EUR 700m was reported by the media in 2014 but formally announced in 2015. It was excluded from the aggregated deal value for Romania for 2014 and included in 2015 instead.

Russia

A tale of sanctions, plummeting valuations and investor exits

Number of deals by sector in 2015

Sector	Number of deals
Telecoms & IT	107
Manufacturing	82
Finance & Insurance	80
Wholesale & Retail Trade	61
Mining (incl. oil & gas)	61
Real Estate	53
Services	50
Transportation & Warehousing	42
Other	147

As expected, US and EU sanctions continued to impact negatively on deal activity in Russia throughout 2015. This is clearly shown by a significant slump in total deal value. Interestingly, some deal-making was clearly driven by the enactment of restrictions on foreign investment in the media sector (with Sanoma selling down its participations in a number of its Russian assets).

With the sanctions extended in time and scope, Russian businesses will continue to suffer from restricted access to capital and more foreign investors may consider exits. Coupled with further rouble devaluation, this should result in more desperate positioning of sellers who are keen to cash out and, potentially, in Russian businesses that have arguably reached the bottom in their valuations becoming more attractive to investors who have so far remained indecisive and sat on their cash.

Looking at the real estate sector in 2015, lenders completely took over, or stepped into the equity of, various projects run by overleveraged borrowers, a trend that will likely continue in 2016. Further market consolidation in the Russian financial services sector should also continue, as the Russian Central Bank presses on with its crusade against numerous unstable banks, paving the way for both state and private players who are prepared to offer a more robust proposition.

Russia's turn eastwards is gathering pace, as we are seeing clear interest from Chinese and Middle Eastern investors in oil & gas, industrial, infrastructure and agricultural sectors, which interest is expected to strengthen in 2016.

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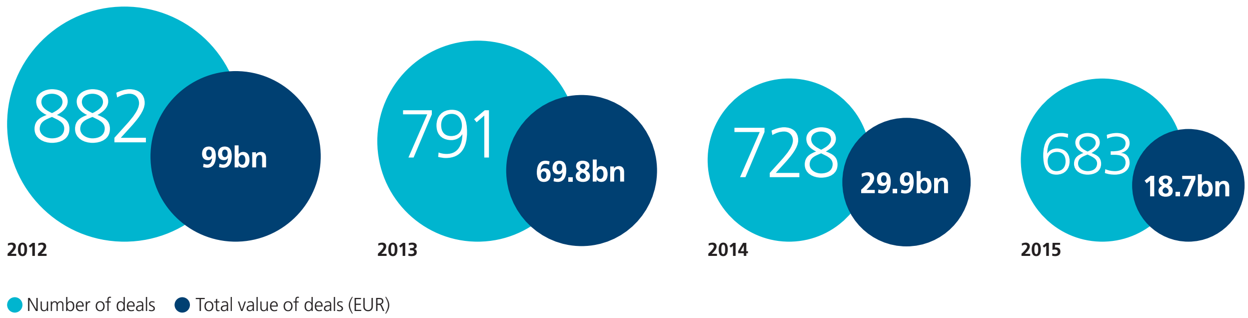
Deals by Value and Volume in Russia (2012-2015)

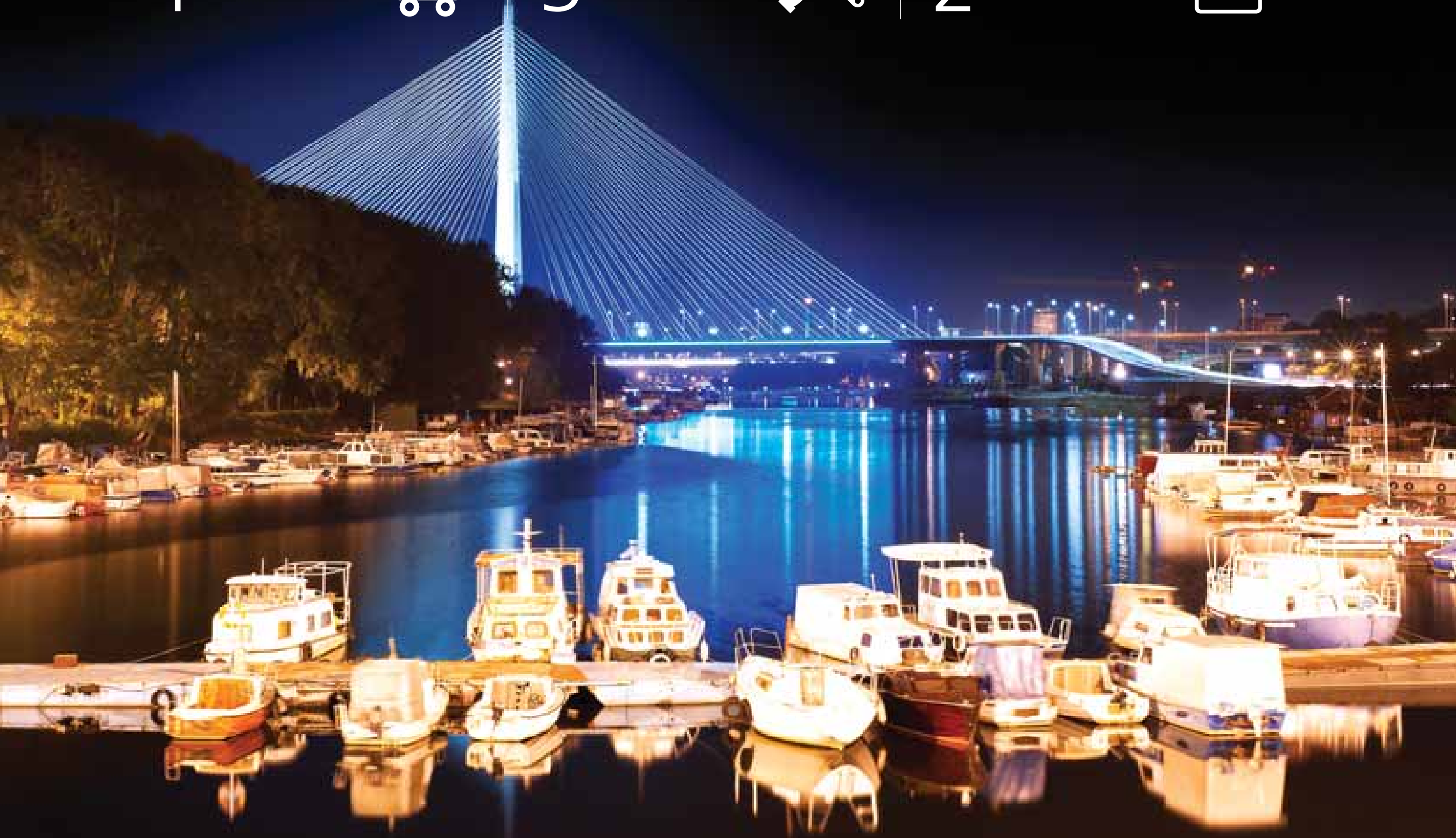


Serbia

Sustained growth dependent on political stability and successful implementation of reforms

Number of deals by sector in 2015

Manufacturing 13	**Telecoms & IT** 7	**Agriculture, Forestry, Fishing and Hunting** 6
Finance & Insurance 6	**Food and Beverage** 5	**Media & Entertainment** 51
Wholesale & Retail Trade 4	**Services** 3	**Other** 2



2015 saw considerable growth in foreign direct investment in Serbia, both in the number and total value of transactions. The manufacturing, financial services, telecoms & IT and media & entertainment sectors were the most active. The most notable transaction was the acquisition by private equity firm Mid Europa Partners of Danube Foods Group for EUR 575m.

The start of 2015 was marked by the announcement of the biggest real estate project ever in Serbia, the EUR 3bn Belgrade Waterfront Project. The investor, Eagle Hills, a United Arab Emirates real estate developer, plans to create a new urban centre spreading along the Sava River, including residential buildings, office buildings, shopping malls, hotels and other commercial buildings. The project is actively supported by the government and should foster huge growth in the real estate sector over many years.

Prospects for 2016 depend predominantly on political stability, as well as continuation of the government`s recent efforts to facilitate investment and create an investor friendly environment. Legislative changes in 2015 appear to have contributed to a more productive year in terms of M&A transactions. The privatisations that remain to be finished in 2016 could have a huge impact on the Serbian economy. On a less positive note, the end of 2015 was of course marked by the unsuccessful attempt to privatise Telekom Srbija.

The food and agriculture industry has significant growth potential. Mid Europa Partners is keen to enhance the value of Danube Foods Group and Ferrero continues to be an active player in the sector. The trend of investment in the automotive industry will likely continue. Lear Corporation announced significant investments and American Ametek opened a new factory for the production of small engines in northern Serbia. The insurance sector also looks promising from an M&A perspective for the next few years, given that the sector is largely underdeveloped. It is likely that Dunav Osiguranje, the largest domestic insurance company, will be privatised.

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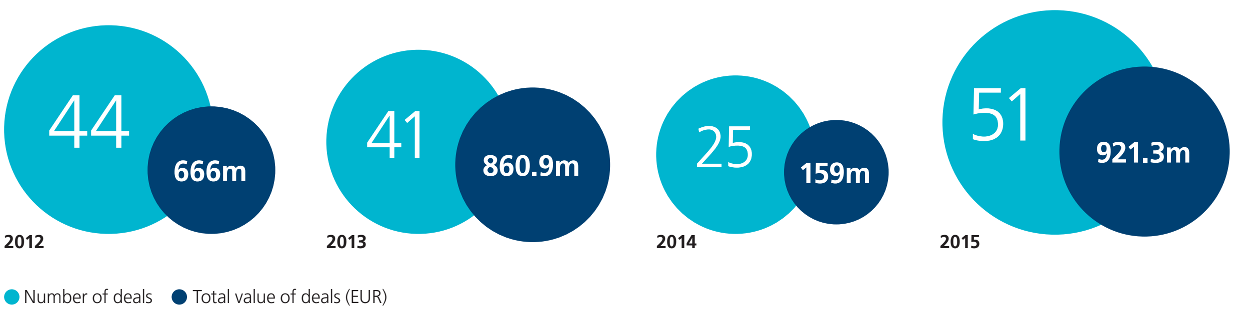
Deals by Value and Volume in Serbia (2012-2015)



Slovakia

Consumption and export to continue to lead growth, offsetting a likely decrease in inbound investment

Number of deals by sector in 2015

Sector	Number of deals
Finance & Insurance	7
Manufacturing	6
Real Estate	6
Food & Beverage	5
Wholesale & Retail Trade	5
Utilities	4
Telecoms & IT	3
Media & Entertainment	3
Other	8

The Slovak economy shifted into higher gear in the third quarter of 2015 on the back of resilient domestic demand, posting its strongest growth since 2010. Private consumption continues to be propelled by labour market gains. Investment remains solid as the country benefits from accelerated absorption of EU funds. In a move to offset an expected fall in EU funds in 2016, the government signed a EUR 1.5bn deal with Jaguar Land Rover in December last year. This consolidated the country's position as a European automobile manufacturing powerhouse, producing close to one million vehicles last year and accounting for over 40% of overall industrial output.

While the number of transactions decreased in 2015, the overall value increased considerably, in large part due to the acquisition by Deutsche Telekom of the remaining shares (49%) in Slovak Telekom. The majority of deals involved strategic investors and inbound transactions, primarily in the telecoms & IT, manufacturing, utilities and financial services sectors. Other notable transactions included the acquisition of Holcim by Irish CRH plc. for EUR 285.7m, EPH acquiring a minority stake in Slovenske Elektrarne for EUR 375m*, British Prudential acquiring the Slovak utility company GGE for EUR 108m and the purchase of a minority stake in Generali PPF Holding (24%) by Assicurazioni Generali SpA for EUR 75.8m.

Slovak GDP is expected to expand by between 3.2 and 3.5% in 2016. Although the growth in investments is likely to taper off, private consumption and net exports should more than compensate. Weakening emerging markets may affect export growth in 2016, but the situation should improve in the coming years. The National Bank of Slovakia sees risks to the economy in the next two years as balanced.

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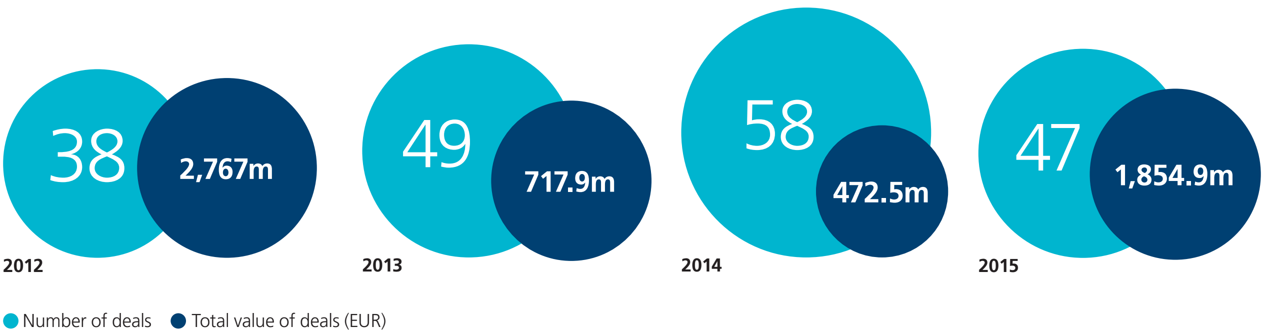
Deals by Value and Volume in Slovakia (2012-2015)



* The rest of the shares (another 33%) would be transferred to EPH after the completion of the Mochovce nuclear power plant in southern Slovakia.

Slovenia

Private investors and privatisations to shape the M&A market in 2016

Number of deals by sector in 2015

Manufacturing	13
Real Estate	8
Food & Beverage	7
Finance & Insurance	7
Wholesale & Retail Trade	7
Telecoms & IT	4
Media & Entertainment	4
Services	3
Other	9

After a promising start with a significant number of privatisations in the pipeline, 2015 was disappointing, in particular due to the non-transparent privatisation process of Paloma.

While two significant privatisations (of the second largest bank NKBM and the brewery Laško) succeeded, what was scheduled to be by far the biggest sale process (Telekom Slovenije) failed. This was considered a clear sign that the Slovenian government is not yet prepared to privatise companies of any significant size unless the companies in question are distressed. This was confirmed by the asset management strategy adopted in July 2015 by the Slovenian parliament, essentially taking the most interesting Slovenian companies from the market by declaring them either strategic or important assets – meaning that the state will continue to control these companies. The list of strategic assets, in addition to assets in the electricity and utility sectors, includes a number of potentially interesting Slovenian companies such as Triglav, Petrol, Krka, Sava Re and Nova Ljubljanska Banka (NLB).

Private-to-private business transactions increased significantly in 2015, with sizeable deals including the acquisition of 100% of Pekarna Grosuplje by Don Don; 100% of Iskra Zaščite and Varsi by Raycap and 46% of Perutnina Ptuj by SIJ. This trend is expected to continue in 2016, as evidenced by the sale of Trimo, a transaction that signed in December between seven banks and Innova Capital.

There will be additional privatisation processes in 2016, with Cimos already well under way. The Bank Asset Management Company kicked off the tender for Mariborska livarna Maribor, an automotive components maker; and a significant part of the Slovenian hotel sector could be put up for sale. There are also some NPL transactions ongoing with NLB´s EUR 900m portfolio a frontrunner. The biggest challenge for the Slovenian government in 2016 will be the privatisation of NLB. Under the EU Commission's state aid decision, the Slovenian state has to reduce its current shareholding of 100% to 25% and one share by the end of 2017. Based on its asset management strategy, the government intends to achieve this via an IPO, whereby no other shareholder may hold more shares than the government. As NLB remains distressed, this plan seems unrealistic, but, to date, no alternative plan has been presented.

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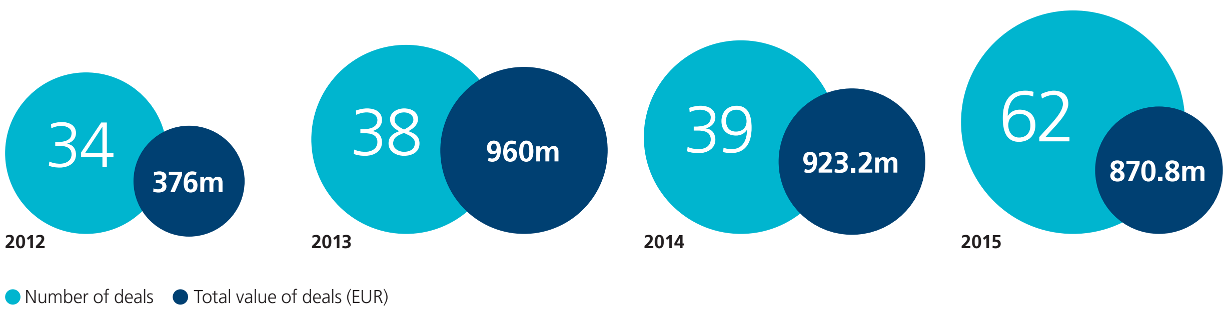
The list of strategic assets, in addition to assets in the electricity and utility sectors, includes a number of potentially interesting Slovenian companies such as Triglav, Petrol, Krka, Sava Re and Nova Ljubljanska Banka (NLB).

Deals by Value and Volume in Slovenia (2012-2015)



Turkey

An attractive investment destination; likely to benefit from a growing consumer market

Number of deals by sector in 2015

Sector	Deals
Manufacturing	55
Wholesale & Retail Trade	41
Utilities	28
Telecoms & IT	27
Services	20
Real Estate	19
Food & Beverage	12
Finance & Insurance	11
Other	27

The Turkish general election in June 2015 and the subsequent repeat election in November 2015, combined with increasing regional security fears, had a substantial impact on investor confidence in 2015. Investors were extremely cautious in Q1, Q2 and Q3, pending the election results. This resulted in a reduction in both the number and value of deals compared to 2014, although the market remained relatively active compared to other countries in the region. However, following the AK Party's return to parliament for the next four years and expected increased political and economic stability, Q4 2015 saw a material increase in M&A activity.

As was the case in 2014, the manufacturing sector saw the most M&A activity in 2015, suggesting that Turkey continues to be an attractive hub for manufacturing due in part to its advantageous geographic position and also to its growing domestic consumer market. Despite the overall decrease in M&A activity in 2015, the utilities and telecoms & IT sectors saw an increase in the volume of deals compared to 2014, a trend which we believe will continue in 2016. The real estate and services sectors also saw a substantial number of deals, although not at the same level as 2014.

Due to ongoing political uncertainty and geopolitical tensions in the region, growth forecasts for 2016 and 2017 were downgraded pre-election to 3.5% for both years, from 3.9% and 3.7%, respectively. However, GDP growth is now predicted to pick up gradually over 2016. Indeed, data recently released by the Turkish Statistical Institute indicate that the economy grew by 4% in the third quarter of 2015 compared with the same period in 2014, surpassing market expectations of 2.8%.

Despite the difficulties faced in 2015, Turkey remains an attractive investment destination. In particular, the construction, real estate and utilities sectors have excellent growth potential as a result of Turkey's increasingly urgent need to improve its infrastructure and to increase and diversify its energy supply in order to meet the demands of its ever growing consumer market.

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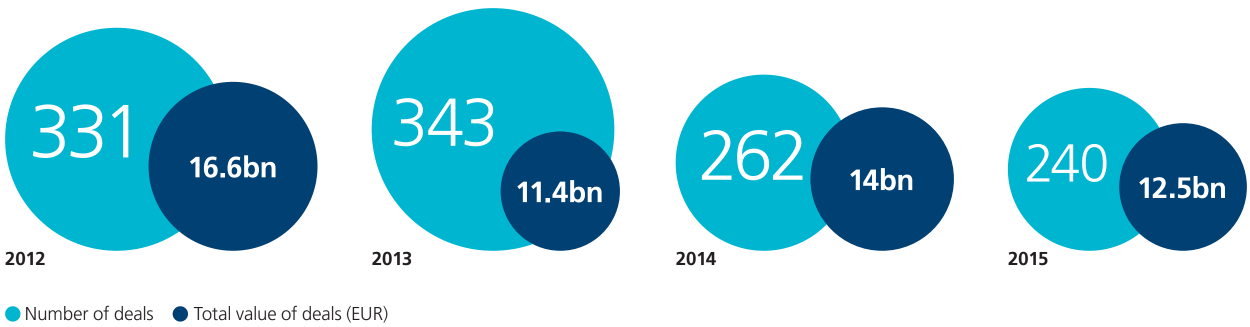
> Despite the overall decrease in M&A activity in 2015, the utilities and telecoms & IT sectors saw an increase in the volume of deals compared to 2014, a trend which we believe will continue in 2016.

Deals by Value and Volume in Turkey (2012-2015)

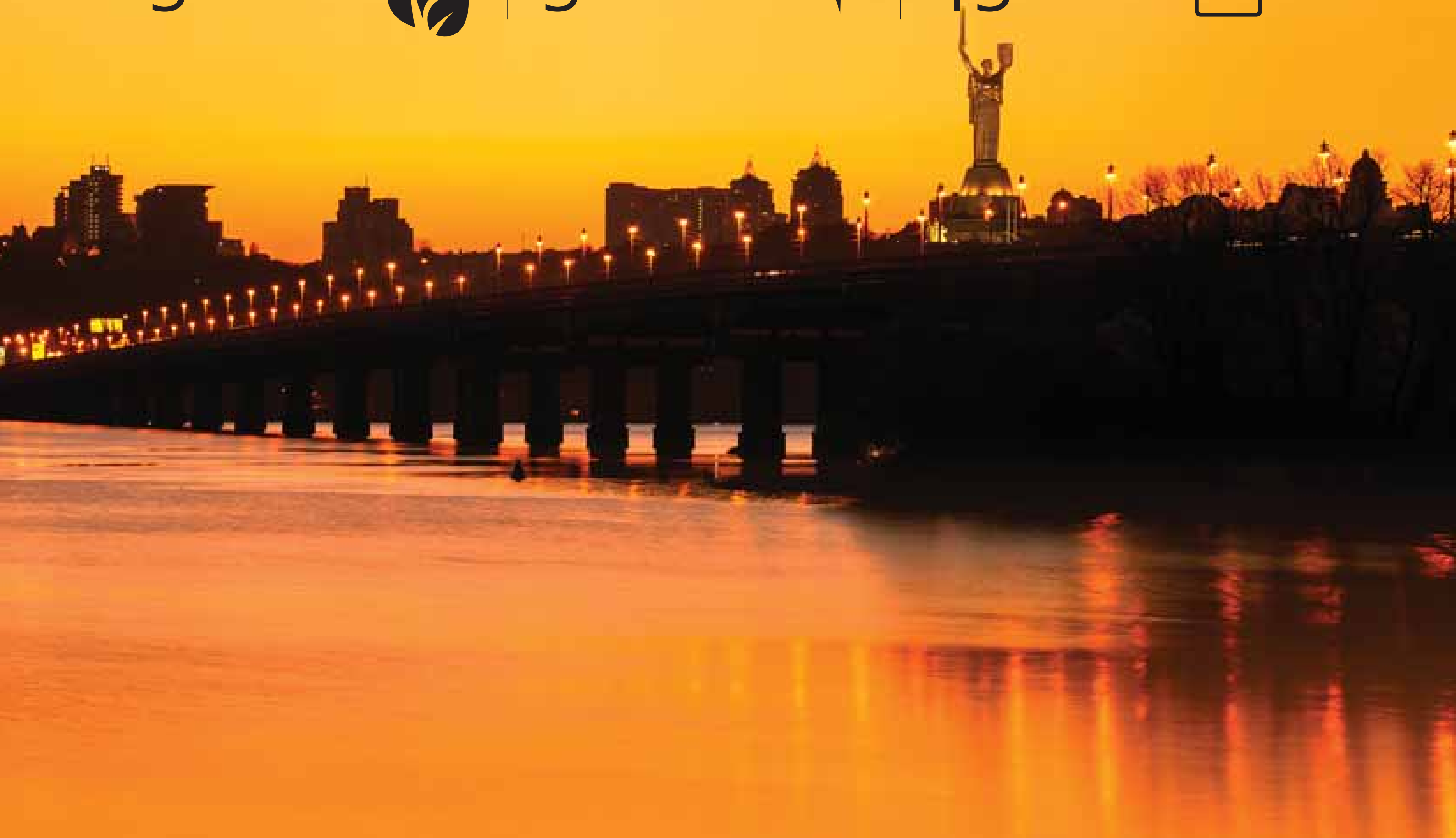


Ukraine

Cautious optimism rests on a successful privatisation programme and continued reform efforts

Number of deals by sector in 2015

Sector	Deals
Finance & Insurance	63
Telecoms & IT	16
Manufacturing	14
Real Estate	9
Mining (incl. oil & gas)	7
Food & Beverage	6
Agriculture, Forestry, Fishing and Hunting	5
Utilities	5
Other	15



2015 did not bring radical changes to the M&A market in Ukraine, as we had predicted. Whilst 2015 saw an increase in the number of M&A deals, the overall deal value dropped significantly, continuing the trend from 2014. Telecoms & IT had the biggest share of total deal value at 57%, largely due to Snapchat's EUR 132.7m acquisition of Looksery Inc. and Turkcell's EUR 89.3m purchase of a 45% stake in Astelit. By deal number, the financial services sector was the most active and accounted for 46% of total volume.

Given the continuing political unrest, we do not expect a boost in the M&A market in Ukraine in 2016. At worst, we see 2016 being much the same as 2015, with a few strategic exits and a number of high profile deals carried out by Ukraine's elite. The most attractive sectors in 2016 will continue to be financial services, agriculture and telecoms & IT.

The optimistic expectations in relation to Ukraine's 2015 privatisation programme were not met, as the government failed to prepare the legal framework and privatisation targets for a transparent and competitive sale process. Privatisation of large-scale assets has been postponed to 2016 and UAH 17bn is expected to be raised from their sale. If the government follows through on its commitments, the M&A landscape in 2016 may be driven by large-scale deals in the energy, infrastructure, chemicals and mining sectors.

Despite all the challenges, the investment appetite for Ukraine remains strong, and it is anticipated that the government's continued efforts to improve the investment climate, including reforms in the agriculture, energy and banking sectors and anti-corruption measures implemented in 2015 will have a positive impact on the M&A market, starting as early as 2016.

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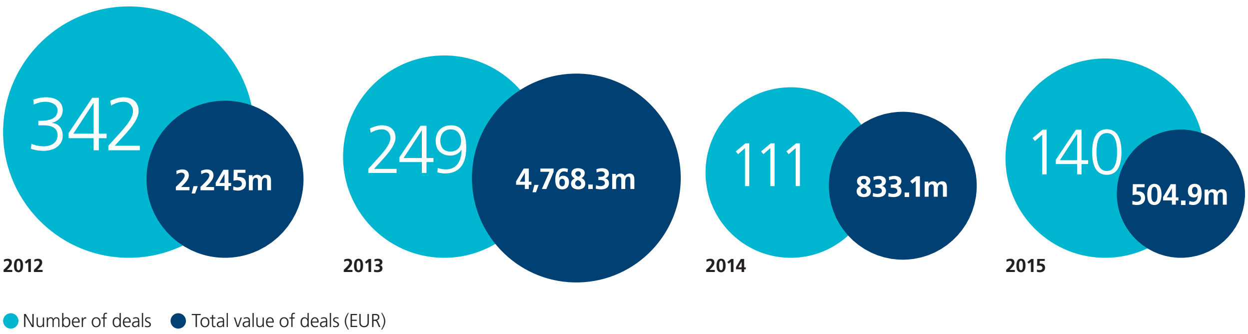
"Despite all the challenges, the investment appetite for Ukraine remains strong, and it is anticipated that the government's continued efforts to improve the investment climate, including reforms in the agriculture, energy and banking sectors and anti-corruption measures implemented in 2015 will have a positive impact on the M&A market...

Deals by Value and Volume in Ukraine (2012-2015)



Emerging Europe: Top 20 Deals 2015

Target Company	Sector	Deal Type	Country of Target	Buyer	Country of Buyer	Deal Value (EUR m)
Finansbank AS	Finance & Insurance	Acquisition (99.8%)	Turkey	Qatar National Bank	Qatar	2,750.0[2]
RussNeft	Mining (incl. oil & gas)	Minority Stake Purchase (46%)	Russia	Glencore Plc	Switzerland	1,363.6*[2]
Generali PPF Holding	Finance & Insurance	Minority Stake Purchase (24%)	Czech Republic; Poland; Hungary; Slovakia; other	Assicurazioni Generali SpA	Italy	1,245.5[2]
Sibur Holding	Manufacturing	Minority Stake Purchase (10%)	Russia	China Petrochemical Corp (Sinopec Group)	China	1,194.6[2]
Socar Turkey Enerji	Manufacturing	Minority Stake Purchase (13%)	Turkey	The Goldman Sachs Group Inc	United States	1,160.7[2]
CGS Holding as	Manufacturing	Acquisition (100%)	Czech Republic	Trelleborg AB	Sweden	1,157.0[2]
Vankorneft ZAO	Mining (incl. oil & gas)	Minority Stake Purchase (15%)	Russia	ONGC Videsh Ltd	India	1,148.7[1]
Avito	Telecoms & IT	Acquisition (50.5%)	Russia	Naspers Ltd	South Africa	1,081.1[2]
Digiturk	Telecoms & IT	Acquisition (100%)	Turkey	beIN Media Group	Qatar	1,045.5[1]
Cement operations of Holcim and Lafarge in CEE and SEE	Manufacturing	Acquisition (100%)	Romania; Slovakia; Hungary; Serbia	CRH Plc	Ireland	955.1[3]
Ust-Luga Oil	Wholesale & Retail Trade	Acquisition (74%)	Russia	Andrey Bokarev - private investor	Russia	945.7[1]
Slovak Telekom as	Telecoms & IT	Privatisation (49%)	Slovakia	Deutsche Telekom AG	Germany	900.0[2]
Kumport Liman	Transportation & Warehousing	Acquisition (65%)	Turkey	COSCO Pacific Ltd	Hong Kong	832.0[2]
Orsknefteorgsintez	Manufacturing	Acquisition (77.2%)	Russia	Mikhail Gutseriev - private investor	Russia	819.7[1]
Ak Gida	Food & Beverage	Acquisition (80%)	Turkey	Groupe Lactalis SA	France	708.1[1]
UniCredit Tiriac Bank**	Finance & Insurance	Minority Stake Purchase (45%)	Romania	UniCredit SpA	Italy	700.0[1]
Poultry Production Severnaya; Poultry Parent Stock Production Woyskovitsy	Agriculture, Forestry, Fishing and Hunting	Acquisition (100%)	Russia	Charoen Pokphand Foods PCL	Thailand	623.9[2]
Soma B TPP	Utilities	Privatisation (100%)	Turkey	Konya Seker	Turkey	606.6[2]
TVN SA	Media & Entertainment	Acquisition (52.7%)	Poland	Scripps Networks Interactive Inc	United States	584.0[2]
Danube Foods Group	Food & Beverage	Acquisition (n.a.%)	Serbia	Mid Europa Partners LLP	United Kingdom	575.0[2]

1. Market Estimate
2. Official data
3. EMIS DealWatch Estimate

Note 1: The spinoff of Cetin from O2 Czech Republic is not included.
Note 2: The alleged acquisition of Komi OIl Refinery by Gaetano Holdings for USD 5bn is not included.
* Glencore wrote off EUR 1.4bn of RussNeft debts in exchange for equity in the company.
** The deal was reported by the media in 2014 but formally announced in 2015. It was excluded from the region's aggregated deal value for 2014 and included in 2015 instead.

Private Equity: Top 20 Deals 2015

Target Company	Sector	Deal Type	Country of Target	Buyer	Country of Buyer	Deal Value (EUR m)
Socar Turkey Enerji	Manufacturing	Minority Stake Purchase (13%)	Turkey	The Goldman Sachs Group Inc	United States	1,160.7[2]
Avito	Telecoms & IT	Acquisition (50.5%)	Russia	Naspers Ltd	South Africa	1,081.1[2]
Digiturk	Telecoms & IT	Acquisition (100%)	Turkey	beIN Media Group	Qatar	1,045.5[1]
Danube Foods Group	Food & Beverage	Acquisition (n.a. %)	Serbia	Mid Europa Partners LLP	United Kingdom	575.0[2]
Yemek Sepeti	Telecoms & IT	Acquisition (100%)	Turkey	Delivery Hero Holding GmbH	Germany	530.6[2]
TriGranit Zrt	Real Estate	Acquisition (n.a. %)	Hungary; Poland; Slovakia; Croatia	TPG Capital	United States	500.0[1]
PKP Energetyka SA	Utilities	Privatisation (100%)	Poland	CVC Capital Partners Ltd	United Kingdom	339.7[2]
Bulgarian Telecommunications Company (Vivacom)	Telecoms & IT	Acquisition (100%)	Bulgaria	Spas Roussev - private investor; VTB Capital; Tennenbaum Capital Partners	Bulgaria; Russia; United States	330.0[2]
Partner in Pet Food (PPF) Kft	Food & Beverage	Acquisition (100%)	Hungary	Pamplona Capital Management	United Kingdom	315.0[2]
Duropack AG	Manufacturing	Acquisition (100%)	Bosnia-Herzegovina; *	DS Smith Plc	United Kingdom	300.0[2]
CH Riviera shopping centre in Gdynia	Real Estate	Acquisition (100%)	Poland	Union Investment Real Estate GmbH	Germany	291.0[2]
AmRest Holdings SE	Services	Minority Stake Purchase (31.7%)	Poland	Finaccess Mexico SA de CV	Mexico	270.8[3]
Nova KBM dd	Finance & Insurance	Privatisation (100%)	Slovenia	Apollo Global Management LLC; European Bank for Reconstruction and Development (EBRD)	United States; International	250.0[2]
Gama Enerji	Utilities	Minority Stake Purchase (30%)	Turkey	Tenaga Nasional Bhd	Malaysia	220.9[2]
Logistics portfolio of IMMOFINANZ (excl. Germany)	Real Estate	Acquisition (100%)	Hungary; Poland; Romania; **	The Blackstone Group LP	United States	178.0[3]
KAI Group	Manufacturing	Acquisition (90%)	Bulgaria	Mohawk Industries Inc	United States	175.5[2]
Office building of 50,000 m2 at Metropolis complex in Moscow	Real Estate	Acquisition (100%)	Russia	Hines Interests LP; PPF Group NV	United States; Czech Republic	165.1[1]
Real estate portfolio of Northern Horizon in the Baltics and Poland	Real Estate	Acquisition (100%)	Estonia; Latvia; Lithuania; Poland	Partners Group AG	Switzerland	163.0[2]
Inter RAO UES	Utilities	Minority Stake Purchase (9.7%)	Russia	United Capital Partners	Russia	140.0[2]
Home.pl	Telecoms & IT	Acquisition (100%)	Poland	United Internet	Germany	135.0[2]

1. Market Estimate
2. Official data
3. EMIS DealWatch Estimate

Note: The Private Equity deals include both entries and exits.
* Bulgaria; Croatia; Hungary; Macedonia; Serbia; Slovakia; Slovenia; Austria
** Russia; Slovakia

Top 3 Deals in Albania 2015

Target Company	Sector	Deal Type	Buyer	Country of Buyer	Deal Value (EUR m)
Credit Agricole Albania Bank	Finance & Insurance	Acquisition (100%)	NCH Capital Inc	United States	19.1[3]
ANTEA Cement ShA	Manufacturing	Minority Stake Purchase (20%)	Titan Cement Group	Greece	11.9[3]
LandesLease	Finance & Insurance	Acquisition (100%)	Union Bank	Albania	n.a.

Top 5 Deals in Bosnia and Herzegovina 2015

Target Company	Sector	Deal Type	Buyer	Country of Buyer	Deal Value (EUR m)
ZIF Zepter Fond ad Banja Luka	Finance & Insurance	Acquisition (100%)	Thaler Vermagensverwaltung GmbH	Austria	24.4[3]
Termalna Rivijera Ilidza	Real Estate	Acquisition (90%)	Mrkulic Company doo	Bosnia-Herzegovina	15.0[1]
Nova Banka ad	Finance & Insurance	Minority Stake Purchase (20.6%)	Hipotekarna Banka; Undisclosed investor(s)	Montenegro	7.7[2]
ZIF Kristal Invest Fond ad Banja Luka	Finance & Insurance	Acquisition (70%)	Thaler Vermagensverwaltung GmbH	Austria	6.1[3]
Kapis Tkt doo	Manufacturing	Acquisition (100%)	Athabasca Investment	Germany	5.5[2]

1. Market Estimate
2. Official data
3. EMIS DealWatch Estimate

Top 10 Deals in Bulgaria 2015

Target Company	Sector	Deal Type	Buyer	Country of Buyer	Deal Value (EUR m)
Bulgarian Telecommunications Company (Vivacom)	Telecoms & IT	Acquisition (100%)	Spas Roussev - private investor; VTB Capital; Tennenbaum Capital Partners	Bulgaria; Russia; United States	330.0[2]
KAI Group	Manufacturing	Acquisition (90%)	Mohawk Industries Inc	United States	175.5[2]
Reward Gateway (Bulgarian assets)	Telecoms & IT	Acquisition (55%)	Great Hill Partners LLC	United States	54.5[3]
Blizoo Media and Broadband	Telecoms & IT	Acquisition (100%)	Telekom Austria AG	Austria	35.4*[2]
Hilton Sofia	Real Estate	Acquisition (100%)	Galaxy Investment Group	Bulgaria	20.0[1]
Fadata	Telecoms & IT	Acquisition (80%)	Charles Taylor plc; The Riverside Company	United Kingdom; United States	16.3[3]
50 MW solar parks in Kazanlak	Utilities	Acquisition (100%)	BCI Kazanlyk Holding	Bulgaria	10.0[1]
Walltopia	Manufacturing	Minority Stake Purchase (12.4%)	BlackPeak Capital; CEE-Equity Partners Ltd; Bulgarian private investor(s)	Bulgaria; China	9.1[2]
Starbucks chain in Bulgaria	Services	Acquisition (100%)	AmRest Holdings SE	Poland	8.2[3]
Grand Hotel Dimyat	Real Estate	Acquisition (100%)	Kerateh Inzhenering	Bulgaria	6.8[2]

1. Market Estimate
2. Official data
3. EMIS DealWatch Estimate

Note: The sale of undisclosed stake in Ameta Holding is not included.
* The deal value does not include the EUR 84m debt paid by Telekom Austria on behalf of Blizoo.

Top 10 Deals in Croatia 2015

Target Company	Sector	Deal Type	Buyer	Country of Buyer	Deal Value (EUR m)
TDR	Food & Beverage	Acquisition (100%)	British American Tobacco	United Kingdom	550.0[2]
Privredna Banka Zagreb dd (PBZ)	Finance & Insurance	Minority Stake Purchase (20.9%)	Intesa Sanpaolo SpA	Italy	319.8[3]
Vukovarski Poljoprivredno Industrijski Kombinat (VUPIK) dd	Agriculture, Forestry, Fishing and Hunting	Acquisition (68.9%)	Agrokor dd	Croatia	39.2[2]
Genera dd	Manufacturing	Acquisition (92.3%)	Dechra Pharmaceuticals Plc	United Kingdom	36.3[2]
Hotel Njivice doo; Finvest Corp dd	Real Estate	Acquisition (90.5%)	John R. Alm - private investor	United States	30.0[1]
Hoteli Baska dd	Real Estate	Acquisition (83.8%)	Valamar Riviera dd	Croatia	24.1[2]
15 floors of VMD Kvart Building B	Real Estate	Acquisition (100%)	Tower Property Fund Ltd	South Africa	23.7[2]
Hoteli Plat dd	Real Estate	Privatisation (92.5%)	Karisma Hotels Adriatic doo (KHA)	Croatia	15.4[2]
Dalmacijavino dd	Food & Beverage	Privatisation (100%)	Ostrc doo	Croatia	9.2[2]
Club Adriatic doo	Real Estate	Privatisation (95%)	Prosperus Invest doo	Croatia	7.5[1]

1. Market Estimate
2. Official data
3. EMIS DealWatch Estimate

Top 10 Deals in Czech Republic 2015

Target Company	Sector	Deal Type	Buyer	Country of Buyer	Deal Value (EUR m)
CGS Holding as	Manufacturing	Acquisition (100%)	Trelleborg AB	Sweden	1,157.0[2]
Generali PPF Holding (Czech assets)	Finance & Insurance	Minority Stake Purchase (24%)	Assicurazioni Generali SpA	Italy	603.5[3]
Heureka.cz; Netretail Holding Group	Wholesale & Retail Trade	Acquisition (100%)	Rockaway Capital	Czech Republic	177.9[2]
Hame sro	Food & Beverage	Acquisition (100%)	Orkla ASA	Norway	174.6[2]
Sokolovska uhelna, pravni nastupce as	Mining (incl. oil & gas)	Minority Stake Purchase (30%)	Frantisek Stepanek - private investor; Jaroslav Rokos - private investor	Czech Republic	166.0[1]
J&T Finance Group SE	Finance & Insurance	Minority Stake Purchase (9.9%)*	CEFC China Energy Company Ltd	China	156.3[1]
255,000 m2 logistics park in Prague	Real Estate	Acquisition (100%)	AEW Europe	France	150.0[2]
Savarin project	Real Estate	Acquisition (100%)	CRESTYL Real Estate sro	Czech Republic	83.0[1]
Pivovary Lobkowicz Group as	Food & Beverage	Acquisition (79.4%)	Zdenek Radil - private investor	Czech Republic	68.5[2]
Corso Court office building	Real Estate	Acquisition (100%)	Invesco Real Estate	United States	55.0[2]

1. Market Estimate
2. Official data
3. EMIS DealWatch Estimate

Note: The spinoff of Cetin from O2 Czech Republic is not included.

* The overall 9.9% stake was acquired through two transactions in May and September.

Top 10 Deals in Hungary 2015

Target Company	Sector	Deal Type	Buyer	Country of Buyer	Deal Value (EUR m)
TriGranit Zrt	Real Estate	Acquisition (n.a. %)	TPG Capital	United States	500.0[1]
Partner in Pet Food (PPF) Kft	Food & Beverage	Acquisition (100%)	Pamplona Capital Management	United Kingdom	315.0[2]
MOM Park shopping centre; West End Business Centre; EMKE office building	Real Estate	Acquisition (100%)	Morgan Stanley & Co LLC; WING Ingatlanfejleszto es Beruhazo Zrt; CC Real	United States; Hungary; Austria	200.0[1]
Generali PPF Holding (Hungarian assets)	Finance & Insurance	Minority Stake Purchase (24%)	Assicurazioni Generali SpA	Italy	173.8[3]
Cement operations of Holcim in Hungary	Manufacturing	Acquisition (100%)	CRH Plc	Ireland	155.1[3]
MTM-SBS Zrt (TV2)	Media & Entertainment	Acquisition (100%)	Magyar Broadcasting Co Kft	Hungary	67.3[1]
Duna Tower office complex in Budapest	Real Estate	Acquisition (100%)	Globe Trade Centre SA	Poland	52.2[2]
Magyar Olaj- Es Gazipari Nyrt (MOL)	Mining (incl. oil & gas)	Minority Stake Purchase (1.2%)	UniCredit SpA	Italy	50.0[3]
Budapest Stock Exchange (BSE)	Finance & Insurance	Acquisition (68.8%)	Magyar Nemzeti Bank (MNB)	Hungary	42.6[2]
GTS Hungary	Telecoms & IT	Acquisition (100%)	Magyar Telekom	Hungary	42.0[2]

Top 5 Deals in Montenegro 2015

Target Company	Sector	Deal Type	Buyer	Country of Buyer	Deal Value (EUR m)
Maestral Resort & Casino	Real Estate	Acquisition (75%)	Petros Stathis - private investor	Greece	22.0[1]
Crnogorski Elektroprenosni Sistem AD (CGES)	Utilities	Minority Stake Purchase (10%)	Elektromreza Srbije (EMS)	Serbia	13.8[2]
Mkabl doo	Telecoms & IT	Acquisition (100%)	United Group SA	Luxembourg	12.0[1]
Institut Dr Simo Milosevic AD Igalo	Education & Healthcare	Privatisation (56.5%)	International Wellness Group Ltd	United Kingdom	10.0[2]
Voli doo	Wholesale & Retail Trade	Minority Stake Purchase (n.a. %)	European Bank for Reconstruction and Development (EBRD)	International	10.0[2]

1. Market Estimate
2. Official data
3. EMIS DealWatch Estimate

Top 20 Deals in Poland 2015

Target Company	Sector	Deal Type	Buyer	Country of Buyer	Deal Value (EUR m)
TVN SA	Media & Entertainment	Acquisition (52.7%)	Scripps Networks Interactive Inc	United States	584.0[2]
Alior Bank SA	Finance & Insurance	Minority Stake Purchase (25.3%)	PZU SA	Poland	395.1[2]
PKP Energetyka SA	Utilities	Privatisation (100%)	CVC Capital Partners Ltd	United Kingdom	339.7[2]
Wind assets portfolio of EDP Renovaveis in Poland	Utilities	Minority Stake Purchase (49%)	China Three Gorges Corp	China	312.3[3]
TriGranit Zrt (Polish assets)	Real Estate	Acquisition (n.a. %)	TPG Capital	United States	300.0[3]
CH Riviera shopping centre in Gdynia	Real Estate	Acquisition (100%)	Union Investment Real Estate GmbH	Germany	291.0[2]
Stary Browar shopping centre	Real Estate	Acquisition (100%)	Deutsche Bank AG	Germany	290.0[1]
AmRest Holdings SE	Services	Minority Stake Purchase (31.7%)	Finaccess Mexico SA de CV	Mexico	270.8[3]
Echo Investment SA	Real Estate	Minority Stake Purchase (41.6%)*	PIMCO; Oaktree Capital Management LP	United States	260.5[3]
Karolinka shopping centre; Pogoria shopping centre	Real Estate	Acquisition (100%)	Rockcastle Global Real Estate Co Ltd	Mauritius	220.8[2]
Generali PPF Holding (Polish assets)	Finance & Insurance	Minority Stake Purchase (24%)	Assicurazioni Generali SpA	Italy	212.5[3]
Silesia Business Park A; Silesia Business Park B; Kapelanka 42 office building; Axis office building	Real Estate	Acquisition (100%)	Niam AB	Sweden	160.0[2]
Home.pl	Telecoms & IT	Acquisition (100%)	United Internet AG	Germany	135.0[2]
Real estate portfolio of Northern Horizon in Poland	Real Estate	Acquisition (100%)	Partners Group AG	Switzerland	108.0[3]
easyPack	Services	Minority Stake Purchase (n.a. %)	PZU TFI SA; Integer.pl SA; Franklin Templeton Investments	Poland; United States	81.7[2]
NordGlass	Manufacturing	Acquisition (100%)	Asahi Glass Co Ltd	Japan	80.0[2]
Poleczki Business Park	Real Estate	Acquisition (50%)	UBM development AG	Austria	80.0[2]
Apteka Gemini Hutter sp j	Wholesale & Retail Trade	Acquisition (n.a. %)	Warburg Pincus LLC	United States	70.2[1]
MLP Tychy logistics park	Real Estate	Acquisition (100%)	Deka Immobilien	Germany	62.7[2]
Phase II of Alchemia office complex in Gdansk	Real Estate	Acquisition (100%)	Polski Holding Nieruchomosci SA	Poland	60.8[2]

1. Market Estimate
2. Official data
3. EMIS DealWatch Estimate

Note 1:
* The buyers subsequently acquired another 20.6% and 3.8% in Echo Investment through a tender offer and a block deal on the Warsaw Stock Exchange, upping their initial stake to 66%.

Note 2: As per EMIS methodology the sale of Bogdanka is not included in the table as it involved a tender offer executed through the Warsaw Stock Exchange.

Top 10 Deals in Romania 2015

Target Company	Sector	Deal Type	Buyer	Country of Buyer	Deal Value (EUR m)
UniCredit Tiriac Bank*	Finance & Insurance	Minority Stake Purchase (45%)	UniCredit SpA	Italy	700.0[1]
Cement operations of Lafarge SA in Romania	Manufacturing	Acquisition (100%)	CRH plc	Ireland	400.0[2]
Rompetrol Group	Wholesale & Retail Trade	Acquisition (51%)	CEFC China Energy Co Ltd.	China	347.7[1]
Greengold Value Forests SRL	Agriculture, Forestry, Fishing and Hunting	Acquisition (100%)	IKEA	Sweden	125.0[1]
Non-performing loans of Banca Comerciala Romana (BCR)	Finance & Insurance	Acquisition (100%)	APS Holding CZ SE; Deutsche Bank AG; International Finance Corporation (IFC)	Czech Republic; Germany; International	120.0[1]
Pehart Tec	Manufacturing	Acquisition (n.a. %)	Abris Capital Partners	Poland	100.0[1]
Regina Maria	Education & Healthcare	Acquisition (100%)	Mid Europa Partners LLP	United Kingdom	99.6[1]
Billa Romania SRL	Wholesale & Retail Trade	Acquisition (100%)	Carrefour SA	France	96.0[1]
Racova SA	Agriculture, Forestry, Fishing and Hunting	Acquisition (100%)	Trans Oil Group	Moldova	93.5[1]
North Star Shipping SRL	Transporting & Warehousing	Acquisition (78%)	Archer Daniels Midland Co (ADM)	United States	90.5[1]

1. Market Estimate
2. Official data
3. EMIS DealWatch Estimate

Note:
* The deal was reported by the media in 2014 but formally announced in 2015. It was excluded from the aggregated deal value for Romania for 2014 and included in 2015 instead.

Top 20 Deals in Russia 2015

Target Company	Sector	Deal Type	Buyer	Country of Buyer	Deal Value (EUR m)
RussNeft	Mining (incl. oil & gas)	Minority Stake Purchase (46%)	Glencore Plc	Switzerland	1,363.6*[2]
Sibur Holding	Manufacturing	Minority Stake Purchase (10%)	China Petrochemical Corp (Sinopec Group)	China	1,194.6[2]
Vankorneft ZAO	Mining (incl. oil & gas)	Minority Stake Purchase (15%)	ONGC Videsh Ltd	India	1,148.7[1]
Avito	Telecoms & IT	Acquisition (50.5%)	Naspers Ltd	South Africa	1,081.1[2]
Ust-Luga Oil	Wholesale & Retail Trade	Acquisition (74%)	Andrey Bokarev - private investor	Russia	945.7[1]
Orsknefteorgsintez	Manufacturing	Acquisition (77.2%)	Mikhail Gutseriev - private investor	Russia	819.7[1]
Poultry Production Severnaya; Poultry Parent Stock Production Woyskovitsy	Agriculture, Forestry, Fishing and Hunting	Acquisition (100%)	Charoen Pokphand Foods PCL	Thailand	623.9[2]
Krasnaya Polyana	Construction	Acquisition (96.9%)	Kurort Plyus	Russia	496.9[2]
Razgulay Group	Agriculture, Forestry, Fishing and Hunting	Minority Stake Purchase (20%)	RusAgro Group	Russia	487.1**[2]
MDM Bank	Finance & Insurance	Acquisition (58.3%)	BIN Bank	Russia	438.0[3]
Magnit	Wholesale & Retail	Minority Stake Purchase (2.2%)	Sergey Galitsky - private investor	Russia	292.1[3]
Modny Sezon shopping gallery	Real Estate	Acquisition (93.4%)	Sulena Holdings Ltd	Cyprus	284.1[1]
PNK-Chekhov	Real Estate	Acquisition (100%)	BIN Group	Russia	270.2[1]
EVN Ljuberzy	Manufacturing	Acquisition (100%)	Mosvodokanal	Russia	250.0[2]
Sadovoe Koltso (Oruzheyny business centre)	Real Estate	Minority Stake Purchase (49.9%)	MegaFon	Russia	247.4[2]
Shopping & Leisure Mall Mozaica	Real Estate	Acquisition (n.a. %)	Vnesheconombank (VEB)	Russia	241.2[1]
City Land Group Company LLC	Real Estate	Acquisition (43.2%) ***	VTB Group	Russia	212.2[1]
Polymetal International	Mining (incl. oil & gas)	Minority Stake Purchase (7.4%)	Otkritie Holding	Russia	207.1[2]
Negusneft	Mining (incl. oil & gas)	Acquisition (100%)	Aleksey Khotin - private investor; Yury Khotin - private investor	Belarus	185.2[1]
CTC Media	Media & Entertainment	Acquisition (75%)	UTH Russia	Russia	178.6[2]

1. Market Estimate
2. Official data
3. EMIS DealWatch Estimate

Note: The alleged acquisition of Komi Oil Refinery by Gaetano Holdings for USD 5bn is not included.
* Glencore wrote off EUR 1.4bn of RussNeft debts in exchange for equity in the company.
** The deal value also includes all the existing debt of Razgulay Group.
***Following the deal, VTB Group will have 71.1% in City Land Group.

Top 10 Deals in Serbia 2015

Target Company	Sector	Deal Type	Buyer	Country of Buyer	Deal Value (EUR m)
Danube Foods Group	Food & Beverage	Acquisition (n.a. %)	Mid Europa Partners LLP	United Kingdom	575.0[2]
Cement operations of Holcim in Serbia	Manufacturing	Acquisition (100%)	CRH Plc	Ireland	114.3[3]
Shopping centres portfolio of MPC Properties	Real Estate	Minority Stake Purchase (33%)	Atterbury Europe; Attacq Ltd	South Africa	85.5[3]
PIK Becej	Agriculture, Forestry, Fishing and Hunting	Acquisition (100%)	MK Group doo	Serbia	45.5[2]
AIK Banka ad	Finance & Insurance	Minority Stake Purchase (20.4%)	Piraeus Bank SA	Greece	24.4[3]
C Market	Wholesale & Retail Trade	Minority Stake Purchase (16.3%)	Louis Delhaize Group	Belgium	11.8[2]
Poljoprivreda AD Senta	Agriculture, Forestry, Fishing and Hunting	Acquisition (100%)	Matijevic doo	Serbia	11.0[2]
Cacanska Banka ad	Finance & Insurance	Acquisition (76.7%)	Halkbank AS	Turkey	10.1[2]
Avala Film ad	Media & Entertainment	Privatisation (100%)	Filmski Put	Serbia	8.1[2]
Aleksa Santic ad	Agriculture, Forestry, Fishing and Hunting	Privatisation (100%)	Ferrero SpA	Italy	8.0[2]

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Top 5 Deals in Slovakia 2015

Target Company	Sector	Deal Type	Buyer	Country of Buyer	Deal Value (EUR m)
Slovak Telekom as	Telecoms & IT	Privatisation (49%)	Deutsche Telekom AG	Germany	900.0[2]
Slovenske Elektrarne as	Utilities	Minority Stake Purchase (33%)*	Energeticky A Prumyslovy Holding as	Czech Republic	375.0[2]
Cement operations of Holcim in Slovakia	Manufacturing	Acquisition (100%)	CRH Plc	Ireland	285.7[3]
GGE as	Utilities	Acquisition (100%)	Prudential Plc	United Kingdom	108.0[1]
Generali PPF Holding (Slovak assets)	Finance & Insurance	Minority Stake Purchase (24%)	Assicurazioni Generali SpA	Italy	75.8[3]

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Note:
* The purchased 33% stake corresponds to the first phase of the deal only.

Top 10 Deals in Slovenia 2015

Target Company	Sector	Deal Type	Buyer	Country of Buyer	Deal Value (EUR m)
Nova KBM dd	Finance & Insurance	Privatisation (100%)	Apollo Global Management LLC; European Bank for Reconstruction and Development (EBRD)	United States; International	250.0[2]
Pivovarna Lasko dd	Food & Beverage	Acquisition (53.4%)	Heineken NV	Netherlands	119.5[2]
Pekarna Grosuplje	Food & Beverage	Acquisition (100%)	Don Don doo	Slovenia	60.0[2]
Iskra Zascite doo; Varsi doo	Manufacturing	Acquisition (100%)	Raycap SA	Greece	50.9[1]
Trimo	Manufacturing	Acquisition (97.5%)	Innova Capital Sp z oo	Poland	50.0[1]
Perutnina Ptuj dd	Food & Beverage	Minority Stake Purchase (46%)	SIJ – Slovenian Steel Group	Slovenia	40.0[2]
Zito dd	Food & Beverage	Privatisation (51.5%)	Podravka	Croatia	33.0[2]
Amis doo	Telecoms & IT	Acquisition (100%)	Telekom Austria AG	Austria	30.0[1]
Gorenje Surovina doo	Services	Acquisition (69.3%)	Elemental Holding SA	Poland	29.2[2]
Kempinski Palace Hotel Portoroz	Real Estate	Acquisition (100%)	MK Group doo	Serbia	25.0[1]

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Top 20 Deals in Turkey 2015

Target Company	Sector	Deal Type	Buyer	Country of Buyer	Deal Value (EUR m)
Finansbank AS	Finance & Insurance	Acquisition (99.8%)	Qatar National Bank	Qatar	2,750.0[2]
Socar Turkey Enerji	Manufacturing	Minority Stake Purchase (13%)	The Goldman Sachs Group Inc	United States	1,160.7[2]
Digiturk	Telecoms & IT	Acquisition (100%)	beIN Media Group	Qatar	1,045.5[1]
Kumport Liman	Transportation & Warehousing	Acquisition (65%)	COSCO Pacific Ltd	Hong Kong	832.0[2]
Ak Gida	Food & Beverage	Acquisition (80%)	Groupe Lactalis SA	France	708.1[1]
Soma B TPP	Utilities	Privatisation (100%)	Konya Seker	Turkey	606.6[2]
Yemek Sepeti	Telecoms & IT	Acquisition (100%)	Delivery Hero Holding GmbH	Germany	530.6[2]
Dogankent HEPP; Kurtun HEPP; Torul HEPP	Utilities	Privatisation (100%)	Kolin Insaat	Turkey	386.4[2]
Total Oil Turkey	Wholesale & Retail Trade	Acquisition (100%)	Demiroren Holding	Turkey	325.0[2]
Boyner Perakende	Manufacturing	Minority Stake Purchase (30.7%)	Mayhoola for Investments SPC	Qatar	293.1[2]
Avea Iletisim Hizmetleri	Telecoms & IT	Minority Stake Purchase (10%)	Turk Telekom	Turkey	292.3[2]
Kadincik 1 HEPP; Kadincik 2 HEPP	Utilities	Privatisation (100%)	IC Ictas Holding	Turkey	280.4[2]
Gama Enerji	Utilities	Minority Stake Purchase (30%)	Tenaga Nasional Bhd	Malaysia	220.9[2]
Beykoz Gayrimenkul	Real Estate	Acquisition (100%)	Allianz SE	Germany	185.3[1]
Karacaoren 1 HEPP; Karacaoren 2 HEPP	Utilities	Privatisation (100%)	Gama Enerji	Turkey	163.2[2]
Dogan TV Holding	Media & Entertainment	Minority Stake Purchase (2.7%)	Dogan Holding	Turkey	150.4[2]
Kiler Alisveris	Wholesale & Retail Trade	Acquisition (85%)	CarrefourSA A.S.	Turkey	149.3[2]
Unit Investment NV	Utilities	Minority Stake Purchase (23%)	International Finance Corporation (IFC)	International	123.9[3]
Manavgat HEPP	Utilities	Privatisation (100%)	Kibar Holding	Turkey	115.5[2]
Mardan Palace Hotel	Real Estate	Acquisition (100%)	Halkbank AS	Turkey	112.9[2]

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Top 10 Deals in Ukraine 2015

Target Company	Sector	Deal Type	Buyer	Country of Buyer	Deal Value (EUR m)
Looksery Inc	Telecoms & IT	Acquisition (100%)	Snapchat Inc	United States	132.7[1]
Astelit	Telecoms & IT	Minority Stake Purchase (45%)	Turkcell AS	Turkey	89.3[2]
Inter TV PJSC	Media & Entertainment	Minority Stake Purchase (29%)	Dmitry Firtash - private investor; Serhiy Levochkin - private investor	Ukraine	88.5[2]
Arena Entertainment	Real Estate	Acquisition (100%)	n.a.	Cyprus	36.7[1]
Rozetka Ltd	Wholesale & Retail Trade	Minority Stake Purchase (n.a. %)	Horizon Capital	Ukraine	36.4[1]
KUB-Gas	Mining (incl. oil & gas)	Acquisition (70%)	Cub Energy Inc.	Canada	27.5[2]
Certain assets of Creative Group	Food & Beverage	Acquisition (100%)	Arthur Granz - private investor; Rysbek Toktomushev - private investor	Ukraine	27.3[1]
Motor Sich	Manufacturing	Minority Stake Purchase (9.3%)	n.a.	n.a.	25.4[3]
Univermag Ukraine	Real Estate	Minority Stake Purchase (n.a. %)	Irish Bank Resolution Corporation	Ireland	10.0[3]
Zernoprodukt MHP PJSC	Agriculture, Forestry, Fishing and Hunting	Minority Stake Purchase (10%)	Myronivsky Hliboproduct	Ukraine	8.1[3]

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