



The following report details mergers and acquisitions activity in Russia/CEE in July 2015 using data from the Zephyr database.

It focuses on deal activity by target company.

Click [here](#) to access the raw data in an Excel spreadsheet.

Year-on-year growth in M&A value

There were 465 mergers and acquisitions (M&A) targeting companies based in Central and Eastern Europe (CEE) in July worth a combined EUR 12,156 million, compared to 759 worth a total EUR 21,270 million last month, representing a 43 per cent decrease by value and of 39 per cent by volume.

While volume was significantly down on the same time a year ago, when 1,012 deals were announced, value was up by more than a fifth (July 2014: EUR 9,941 million).

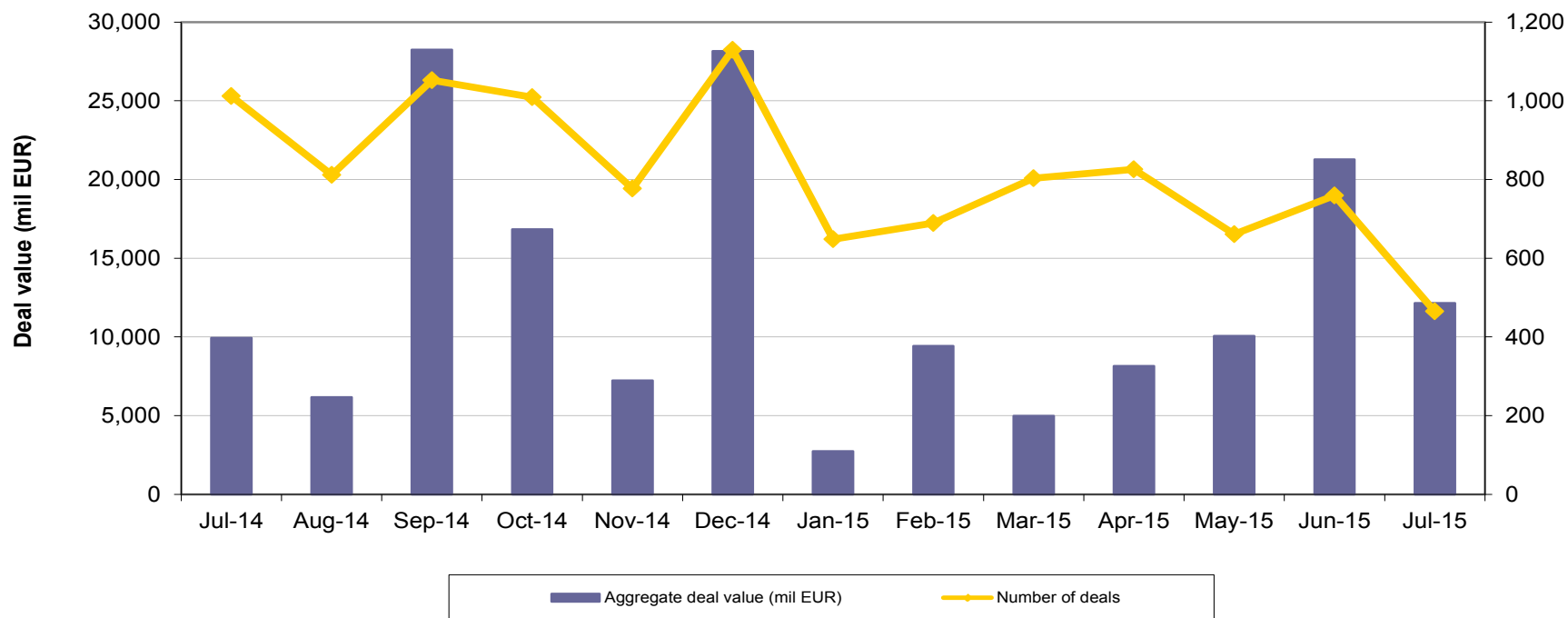
M&A activity targeting specifically Russian companies mirrored this trend, with volume and value decreasing to 108 transactions worth a collective EUR 8,926 million from 207 worth an aggregate EUR 17,134 million in June, while value was up on a year ago (July 2014: EUR 5,775 million).

A decline in private equity investment in the region during July drove down overall M&A results.

CEE deals by volume and value

| Announced date | No of deals | Total deal value (mil EUR) |
|----------------|-------------|----------------------------|
| Jul-15 | 465 | 12,156 |
| Jun-15 | 759 | 21,270 |
| May-15 | 661 | 10,067 |
| Apr-15 | 826 | 8,148 |
| Mar-15 | 803 | 4,988 |
| Feb-15 | 689 | 9,429 |
| Jan-15 | 648 | 2,739 |
| Dec-14 | 1,129 | 28,155 |
| Nov-14 | 777 | 7,228 |
| Oct-14 | 1,009 | 16,828 |
| Sep-14 | 1,052 | 28,246 |
| Aug-14 | 812 | 6,166 |
| Jul-14 | 1,012 | 9,941 |

Deals by volume and value



Russian deals by volume and value

| Announced date | No of deals | Total deal value (mil EUR) |
|----------------|-------------|----------------------------|
| Jul-15 | 108 | 8,926 |
| Jun-15 | 207 | 17,134 |
| May-15 | 116 | 7,433 |
| Apr-15 | 185 | 5,730 |
| Mar-15 | 161 | 1,441 |
| Feb-15 | 139 | 1,894 |
| Jan-15 | 123 | 620 |
| Dec-14 | 350 | 23,806 |
| Nov-14 | 197 | 4,306 |
| Oct-14 | 205 | 12,273 |
| Sep-14 | 272 | 19,262 |
| Aug-14 | 193 | 3,319 |
| Jul-14 | 269 | 5,775 |

Russian bank cash-call top deal by value

Russian companies were targeted in the top three transactions by value in July, with the largest being a private placing of shares by Bank VTB worth EUR 4,881 million, representing 40 per cent of total M&A value for the region.

This was followed by a restructuring in which Russia's Federal Agency for State Property Management sold a 21 per cent stake in oil and gas company Bashneft to Bashkortostan's property ministry for EUR 1,182 million.

Another capital increase by a Russian company was ranked third by value in July, as electricity distributor Rosseti announced it will raise EUR 1,043 million from a public offering of shares.

These three transactions were the only ones to exceed EUR 1,000 million in July and were among ten deals targeting Russian companies in the region's top 20 transactions by value.

M&A value favours the banking sector

Banks in CEE were targeted in deals worth a combined EUR 5,333 million in July, making it the region's most valuable sector and accounting for 44 per cent of total M&A value in the four weeks under review.

There was a 15-fold increase in the value of deals targeting companies operating in the chemicals, rubber and plastics industry to EUR 1,220 million from EUR 82 million in June and significantly more than the EUR 154 million recorded a year ago. Meanwhile, M&A targeting the region's primary sector, which includes agriculture and mining, fell 81 per cent month-on-month from EUR 6,300 million to EUR 1,184 million.

The wholesale and retail trade was among the most frequently targeted in July, with 61 deals announced in July, down from 82 the previous month and 156 a year ago. Transactions targeting the banking industry actually halved month-on-month from 106 to 51, which, given the increase in value, implies higher company valuations in the four weeks under review.

Top 20 deals by value

| | Deal value (mil EUR) | Deal type | Target | Target country | Acquiror | Acquiror country | Deal status |
|-----|----------------------|-------------------------------|---|----------------|---|------------------|-------------|
| 1. | 4,881 | Capital Increase | Bank VTB OAO | RU | Gosudarstvennaya Korporatsiya Agentstvo po Strakhovaniyu Vkladov | RU | Announced |
| 2. | 1,182 | Minority stake 21% | Aktsionernaya Neftyanaya Kompaniya Bashneft PAO | RU | Ministerstvo Zemelnykh i Imushchestvennykh Otnoshenii Respubliki Bashkortostan | RU | Completed |
| 3. | 1,043 | Capital Increase 29% | Rossiiskie Seti PAO | RU | | | Announced |
| 4. | 900 | Minority stake 40% | Lukoil Neftohim Burgas AD | BG | LUKOIL Europe Holdings BV | NL | Completed |
| 5. | 765 | Acquisition increased to 100% | TVN SA | PL | Southbank Media Ltd | GB | Announced |
| 6. | 450 | Minority stake 2% | Gorno-Metallurgicheskaya Kompaniya Norilskii Nikel OAO | RU | NN-Invest OOO | RU | Announced |
| 7. | 385 | Capital Increase 39% | Nauchno-Proizvodstvennoe Obyedinenie Saturn OAO | RU | Obyedinennaya Promyshlennaya Korporatsiya Oboronprom OAO; Rossiiskii Federalnyi Yadernyi Tsentri-Vserossiiskii Nauchno-Isledovatel'skii Institut Eksperimentalnoi Fiziki FGUP; Federalnoe Agentstvo po Upravleniyu Gosudarstvennym Imushchestvom; Rostekh; Obyedinennaya Dvigatellestroitel'naya Korporatsiya OAO | RU | Announced |
| 8. | 274 | Minority stake 32% | AmRest Holdings SE | PL | | | Announced |
| 9. | 242 | Acquisition 100% | Envizhn Grup ZAO | RU | Mobilnye TeleSistemy OAO | RU | Announced |
| 10. | 213 | Acquisition increased to 100% | Natsionalnaya Immunobiologicheskaya Kompaniya OAO | RU | Rostekh | RU | Announced |
| 11. | 181 | Acquisition 75% | CTC Media Inc.'s Russian and Kazakhstan Business Operations | RU | YuTV-Media OOO | RU | Announced |
| 12. | 155 | Acquisition 100% | Home.pl SA | PL | 1&1 Internet SE | DE | Announced |
| 13. | 108 | IBO 100% | GGE AS | SK | Infracapital Partners II LP | GB | Announced |
| 14. | 99 | Acquisition 95% | Intesa Sanpaolo Banka dd | BA | Privredna Banka Zagreb dd | HR | Completed |
| 15. | 90 | Minority stake 44% | Newag SA | PL | Undisclosed acquirors; Jakubas Investment Sp zoo | PL | Completed |
| 16. | 90 | Acquisition increased to 93% | UniCredit Bank dd | BA | Zagrebacka Banka dd | HR | Completed |
| 17. | 89 | Capital Increase 10% | Komertsiynyy Bank PryvatBank PAT | UA | | | Completed |
| 18. | 73 | Acquisition 60% | Proton-Permskie Motory OAO | RU | Federalnoe Agentstvo po Upravleniyu Gosudarstvennym Imushchestvom | RU | Announced |
| 19. | 65 | Acquisition 78% | Galeriya Varna Ood | BG | GTC RH BV | NL | Completed |
| 20. | 61 | Capital Increase 50% | Farmsintez OAO | RU | Rosnano OAO; LIFEBio Laboratories LLC; AisGen OOO; Relative Core Cyprus Ltd | RU; US; RU; CY | Announced |

Top 20 private equity deals by value

| | Deal value (mil EUR) | Deal type | Target | Target country | General Partner/Fund Manager | Deal status |
|-----|----------------------|--------------------|---|----------------|--|-------------|
| 1. | 108 | IBO 100% | GGE AS | SK | M&G Investment Management Ltd | Announced |
| 2. | 37 | Minority stake | Selanikar OOO | RU | Almaz Capital Partners; Baring Vostok Capital Partners Ltd | Completed |
| 3. | 29 | Minority stake | Aasa Polska SA | PL | Novator Partners LLP; Olympia Development SA | Completed |
| 4. | 8 | Minority stake | Organica Technologiak Zrt | HU | The International Finance Corporation; Gamma Investors LLC; XPV Capital Corporation; IDInvest Partners | Completed |
| 5. | 5 | Minority stake | Kapitalnye Investitsii ZAO | RU | Upravlyayushchaya Kompaniya RVM Kapital ZAO | Completed |
| 6. | 5 | Minority stake | UXPin Sp zoo | PL | True Venture Management LLC | Completed |
| 7. | 5 | Minority stake | ZeroTurnaround OÜ | EE | Western Technology Advisors Inc.; Bain Capital Venture Partners LLC | Completed |
| 8. | 1 | Minority stake 12% | eCard SA | PL | MCI Capital Towarzystwo Funduszy Inwestycyjnych SA | Announced |
| 9. | 0 | Capital Increase | Gruppa Informatsionnoi Bezopasnosti OOO | RU | | Completed |
| 10. | n.a. | Minority stake 25% | Rayffayzen Bank Aval PAT | UA | European Bank for Reconstruction and Development | Pending |
| 11. | n.a. | Minority stake | NanoVelos Sp zoo | PL | Ipopema Towarzystwo Funduszy Inwestycyjnych SA | Completed |
| 12. | n.a. | Minority stake 33% | EneGas Sp zoo | PL | Midven Business Solution Sp zoo | Completed |
| 13. | n.a. | Minority stake | Darenta OOO | RU | | Completed |
| 14. | n.a. | Minority stake 15% | Rozetka.ua TOV | UA | Horizon Capital | Completed |
| 15. | n.a. | Minority stake | Pure Chocolate SIA | LV | BaltCap AS | Completed |
| 16. | n.a. | IBO 100% | KH Logistyka Sp zoo | PL | Innova Capital Sp zoo | Announced |
| 17. | n.a. | Minority stake 5% | EkoNiva-APK Kholding OOO | RU | Hybrid Investments Capital Corporation | Completed |
| 18. | n.a. | IBO 100% | Nemocnica s Poliklinikou Medissimo AS | SK | Penta Investments SRO | Completed |

PE investment activity weakens

Private equity and venture capital (PE and VC) investment activity targeting CEE decreased in July, with 18 deals worth a collective EUR 197 million announced in the four weeks, compared to 47 worth an aggregate EUR 287 million in June. In monetary terms, this is a 31 per cent decline, while volume fell at the faster rate of 62 per cent.

In a 12-month comparison, volume was 56 per cent lower than the 41 transactions recorded, while value was down 47 per cent on EUR 361 million in July 2014.

Russia bucked this trend to some extent, as the value of PE and VC investment leapt almost six-fold to EUR 41 million from EUR 7 million in June, but decreased from EUR 67 million a year ago.

The largest PE and VC transaction in July was the acquisition of Slovakian energy company GGE for EUR 108 million by Infracapital Partners, the infrastructure investment arm of M&G Investment Management.

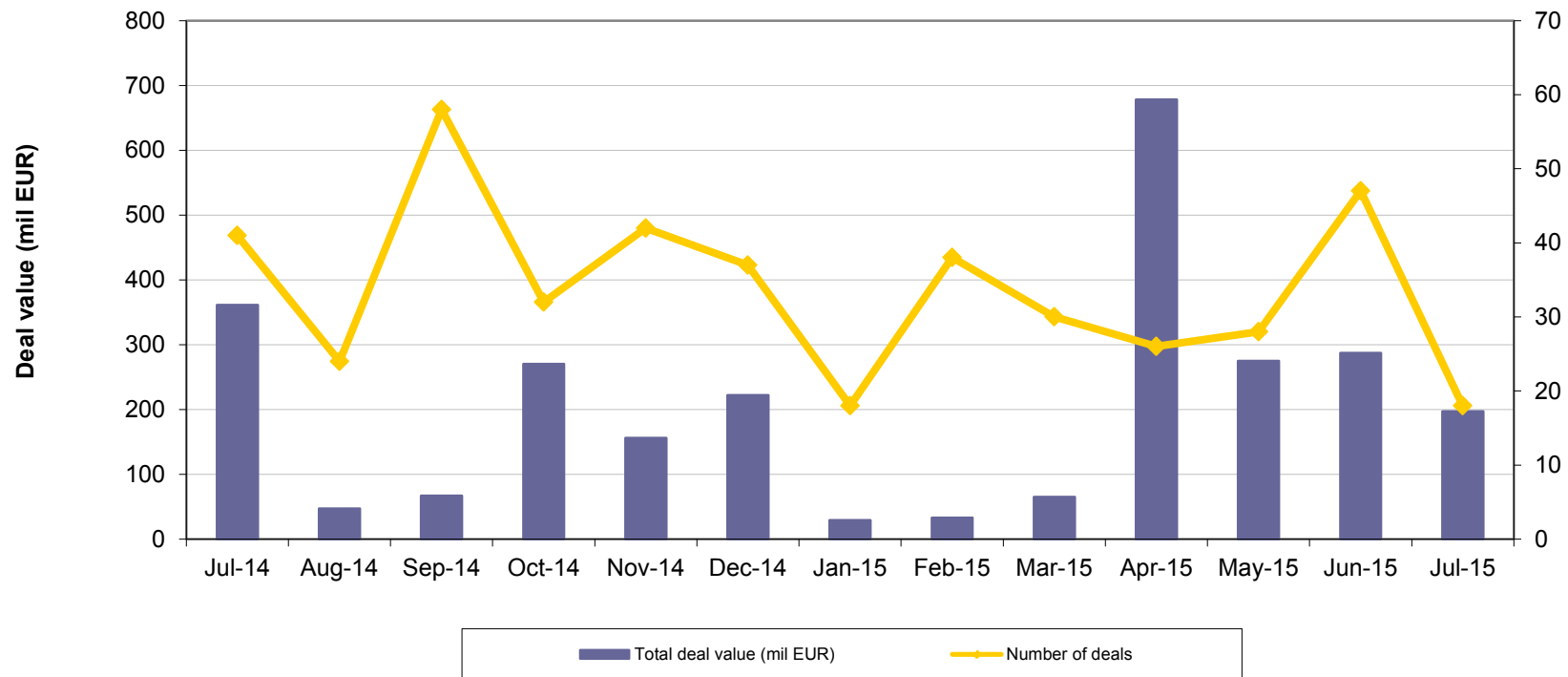
Private equity deals by volume and value

| Announced date | No of deals | Total deal value (mil EUR) |
|----------------|-------------|----------------------------|
| Jul-15 | 18 | 197 |
| Jun-15 | 47 | 287 |
| May-15 | 28 | 275 |
| Apr-15 | 26 | 678 |
| Mar-15 | 30 | 65 |
| Feb-15 | 38 | 33 |
| Jan-15 | 18 | 29 |
| Dec-14 | 37 | 222 |
| Nov-14 | 42 | 156 |
| Oct-14 | 32 | 270 |
| Sep-14 | 58 | 67 |
| Aug-14 | 24 | 47 |
| Jul-14 | 41 | 361 |

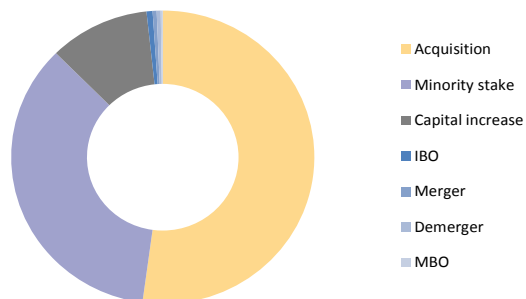
Russian private equity deals by volume and value

| Announced date | No of deals | Total deal value (mil EUR) |
|----------------|-------------|----------------------------|
| Jul-15 | 5 | 41 |
| Jun-15 | 28 | 7 |
| May-15 | 9 | 10 |
| Apr-15 | 9 | 281 |
| Mar-15 | 12 | 14 |
| Feb-15 | 12 | 5 |
| Jan-15 | 5 | 13 |
| Dec-14 | 18 | 179 |
| Nov-14 | 16 | 105 |
| Oct-14 | 14 | 24 |
| Sep-14 | 19 | 34 |
| Aug-14 | 12 | 17 |
| Jul-14 | 24 | 67 |

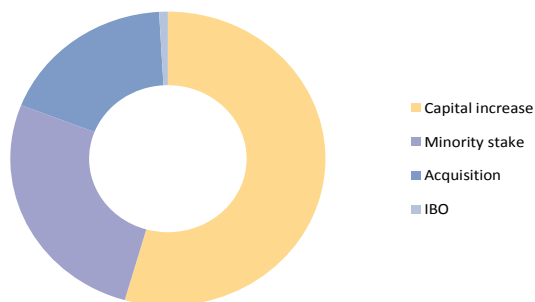
Private equity deals by volume and value in CEE



Deal types by volume in July



Deal types by value in July



Deal types by volume

| Deal type | Jul-14 | Jun-15 | Jul-15 |
|------------------|--------|--------|--------|
| Acquisition | 535 | 346 | 243 |
| Minority stake | 382 | 320 | 165 |
| Capital increase | 84 | 86 | 50 |
| IBO | 7 | 6 | 3 |
| Merger | 0 | 0 | 2 |
| Demerger | 4 | 1 | 2 |
| MBO | 1 | 3 | 1 |

Deal types by value

| Deal type | Jul-14 (mil EUR) | Jun-15 (mil EUR) | Jul-15 (mil EUR) |
|------------------|------------------|------------------|------------------|
| Capital increase | 3,164 | 3,561 | 6,615 |
| Minority stake | 3,284 | 7,582 | 3,222 |
| Acquisition | 3,214 | 9,808 | 2,211 |
| IBO | 280 | 274 | 108 |

Target sectors by volume

| Target sector | Jul-14 | Jun-15 | Jul-15 |
|--|--------|--------|--------|
| Other services | 315 | 234 | 128 |
| Wholesale & retail trade | 156 | 82 | 61 |
| Banks | 98 | 106 | 51 |
| Construction | 58 | 42 | 35 |
| Machinery, equipment, furniture, recycling | 80 | 51 | 29 |
| Chemicals, rubber, plastics | 32 | 20 | 26 |
| Transport | 35 | 33 | 21 |
| Gas, water, electricity | 48 | 24 | 18 |
| Hotels & restaurants | 15 | 27 | 17 |
| Metals & metal products | 17 | 18 | 15 |
| Insurance companies | 19 | 24 | 15 |
| Food, beverages, tobacco | 36 | 27 | 14 |
| Publishing, printing | 19 | 22 | 12 |
| Education, health | 13 | 7 | 10 |
| Primary sector | 50 | 16 | 8 |
| Textiles, wearing apparel, leather | 18 | 12 | 5 |
| Wood, cork, paper | 6 | 6 | 3 |
| Post and telecommunications | 0 | 3 | 0 |
| Public administration and defence | 0 | 0 | 0 |

Target sectors by value

| Target sector | Jul-14 (mil EUR) | Jun-15 (mil EUR) | Jul-15 (mil EUR) |
|--|---------------------|---------------------|---------------------|
| Banks | 656 | 4,941 | 5,333 |
| Other services | 1,845 | 774 | 1,582 |
| Chemicals, rubber, plastics | 154 | 82 | 1,220 |
| Primary sector | 764 | 6,300 | 1,184 |
| Gas, water, electricity | 1,576 | 193 | 1,163 |
| Machinery, equipment, furniture, recycling | 2,658 | 309 | 590 |
| Metals & metal products | 225 | 6,394 | 517 |
| Hotels & restaurants | 251 | 97 | 294 |
| Construction | 450 | 1,273 | 77 |
| Transport | 317 | 278 | 61 |
| Publishing, printing | 4 | 22 | 58 |
| Insurance companies | 104 | 109 | 52 |
| Wholesale & retail trade | 483 | 92 | 14 |
| Food, beverages, tobacco | 249 | 271 | 10 |
| Education, health | 4 | 30 | 2 |
| Textiles, wearing apparel, leather | 32 | 125 | 0 |
| Wood, cork, paper | 160 | 2 | 0 |
| Post and telecommunications | 0 | 0 | 0 |
| Public administration and defence | 0 | 0 | 0 |

Top countries by volume

| Target country | Jul-14 | Jun-15 | Jul-15 |
|------------------------|--------|--------|--------|
| Russia | 269 | 207 | 108 |
| Poland | 117 | 165 | 100 |
| Romania | 61 | 60 | 89 |
| Ukraine | 38 | 56 | 39 |
| Estonia | 23 | 29 | 24 |
| Latvia | 18 | 13 | 23 |
| Belarus | 21 | 13 | 18 |
| Bulgaria | 348 | 134 | 10 |
| Bosnia And Herzegovina | 9 | 13 | 10 |
| Slovenia | 12 | 8 | 8 |
| Moldova | 17 | 8 | 7 |
| Czech Republic | 18 | 16 | 7 |
| Slovakia | 9 | 5 | 5 |
| Serbia | 17 | 10 | 4 |
| Hungary | 15 | 6 | 4 |
| Croatia | 7 | 13 | 3 |
| Lithuania | 10 | 4 | 3 |
| Montenegro | 0 | 0 | 2 |
| Macedonia | 2 | 3 | 0 |
| Albania | 0 | 0 | 0 |
| Kosovo | 1 | 0 | 0 |

Top countries by value

| Target country | Jul-14 (mil EUR) | Jun-15 (mil EUR) | Jul-15 (mil EUR) |
|------------------------|---------------------|---------------------|---------------------|
| Russia | 5,775 | 17,134 | 8,926 |
| Poland | 1,760 | 1,138 | 1,561 |
| Bulgaria | 86 | 67 | 970 |
| Bosnia And Herzegovina | 1 | 27 | 193 |
| Romania | 758 | 1,086 | 128 |
| Ukraine | 489 | 309 | 120 |
| Slovakia | 0 | 0 | 108 |
| Slovenia | 294 | 262 | 42 |
| Croatia | 53 | 599 | 33 |
| Latvia | 3 | 1 | 30 |
| Czech Republic | 267 | 523 | 22 |
| Hungary | 66 | 44 | 16 |
| Estonia | 13 | 43 | 5 |
| Serbia | 51 | 37 | 2 |
| Belarus | 254 | 1 | 1 |
| Moldova | 2 | 0 | 0 |
| Lithuania | 3 | 0 | 0 |
| Macedonia | 0 | 0 | 0 |
| Montenegro | 0 | 0 | 0 |
| Albania | 0 | 0 | 0 |
| Kosovo | 15 | 0 | 0 |

Notes to editors

Activity is based on the activity of the target company

Deal status is announced within the time period

The sector breakdown uses targets' activities as defined to be 'Major Sectors' by Zephyr

The Russia/CEE region covers target companies in Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Kosovo, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia and Ukraine.

The date range is 01/07/2015 - 28/07/2015 inclusive