



The following report details mergers and acquisitions activity in Russia/CEE in August 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.

M&A activity drops as holiday season gets under way

Mergers and acquisitions (M&A) activity targeting companies based in Central and Eastern Europe (CEE) fell markedly in August, the traditionally quiet holiday period.

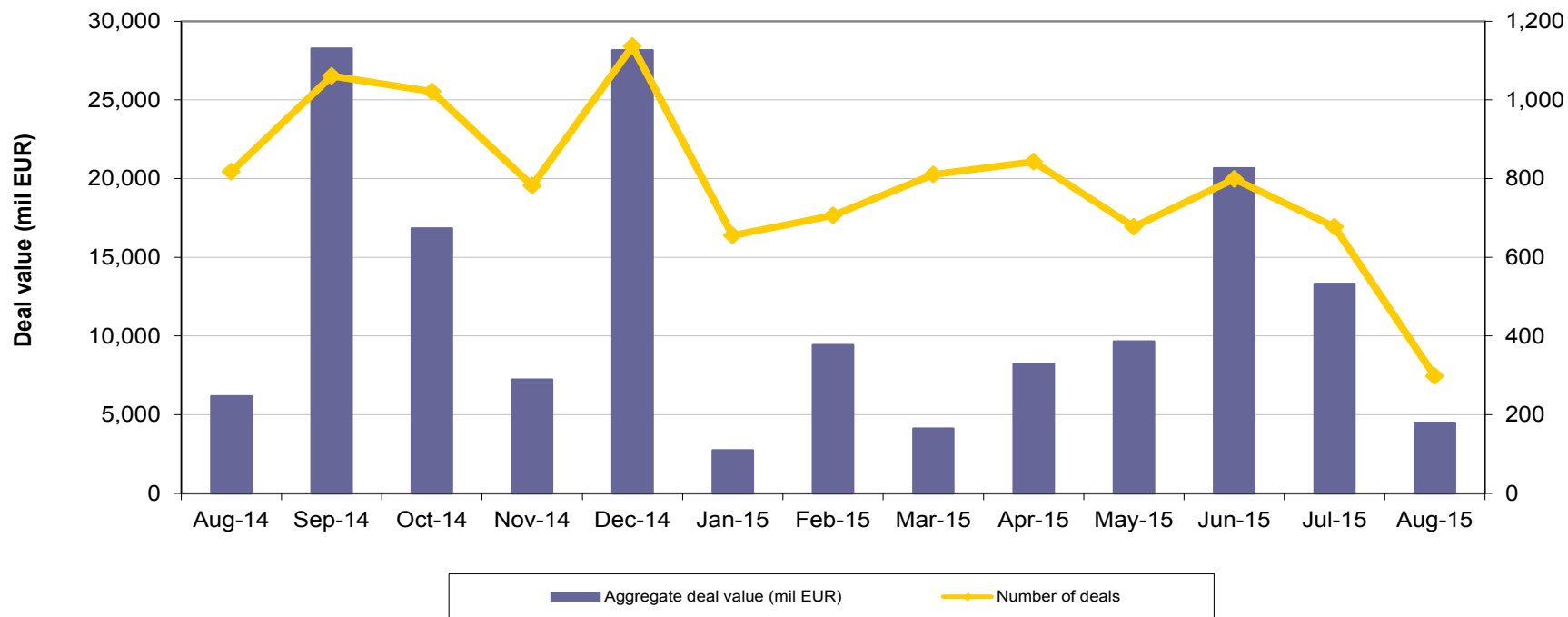
There were 298 deals worth a combined EUR 4,492 million over the four weeks, down from 677 worth a collective EUR 13,310 million in July, and represented the second successive decline (June: 799 deals worth EUR 20,648 million). However, in a 12-month comparison, the result was not significantly different from the 817 transactions worth an aggregate EUR 6,169 million recorded in August 2014, underlining the fact that M&A activity usually decreases at this time of year.

M&A targeting Russian companies was similarly subdued in August, with 79 transactions worth a total EUR 3,291 million announced over the four weeks, compared to 153 deals worth a collective EUR 9,484 million the previous month, and was also the second decline in a row (June: 221 deals worth EUR 16,856 million). Year-over-year, volume was 59 per cent lower than the 193 deals, while value was more-or-less steady compared to the EUR 3,319 million-worth of M&A recorded in August 2014.

CEE deals by volume and value

Announced date	No of deals	Total deal value (mil EUR)
Aug-15	298	4,492
Jul-15	677	13,310
Jun-15	799	20,648
May-15	677	9,648
Apr-15	843	8,246
Mar-15	810	4,124
Feb-15	706	9,431
Jan-15	655	2,740
Dec-14	1,136	28,158
Nov-14	782	7,229
Oct-14	1,021	16,828
Sep-14	1,061	28,259
Aug-14	817	6,169

Deals by volume and value



Russian deals by volume and value

Announced date	No of deals	Total deal value (mil EUR)
Aug-15	79	3,291
Jul-15	153	9,484
Jun-15	221	16,856
May-15	117	7,012
Apr-15	188	5,734
Mar-15	162	1,441
Feb-15	140	1,894
Jan-15	123	620
Dec-14	351	23,806
Nov-14	200	4,307
Oct-14	205	12,273
Sep-14	275	19,262
Aug-14	193	3,319

One deal tops EUR 1,000 million

A capital injection by potash fertiliser manufacturer Uralkalii into its Russian subsidiary Uralkalii-Tekhnologiya worth EUR 2,156 million was the region's most valuable deal in August and the only one to break the EUR 1,000 million-barrier. This single transaction accounted for two-thirds of M&A value for the CEE region as a whole during the four weeks.

The number one deal by value was worth more than double the region's second-most valuable deal of the month. This time, Uralkalii was the target and Uralkalii-Tekhnologiya the acquiror, as the subsidiary announced it will purchase global deposit receipts to the value of EUR 857 million in its parent from Enterpro Services, also a unit of Uralkalii.*

There was a significant amount of investment from outside the region, with companies from Germany, the Netherlands, the UK and Ireland involved as acquirors in some of the top 20 deals by value in August.

Machinery, equipment, furniture and recycling the region's most valuable sector

The value of M&A targeting the region's machinery, equipment, furniture and recycling industry in August quadrupled month-on-month to EUR 2,161 million from EUR 525 million in July, marking the second increase in a row and double the EUR 1,042 million recorded in August 2014.

M&A value in the chemicals, rubber and plastics sector also rose for the second month in a row to EUR 1,330 million (June: EUR 48 million; July: EUR 1,311 million) and was significantly higher than EUR 44 million a year ago.

By contrast, the value of deals targeting the region's banks fell sharply from EUR 5,773 million in July to just EUR 97 million, the sector's lowest result of the last 12 months under review.

Volume fell across all industries apart from the primary sector, with 19 deals recorded in August compared to 10 the previous month, and wood, cork and paper, post and telecommunications and public administration and defence, all three of which sectors remained unchanged 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.	2,156	Capital increase to 100%	Uralkalii-Tekhnologiya AO	RU	Uralkalii PAO	RU	Completed
2.	857*	Minority stake	Uralkalii PAO	RU	Uralkalii-Tekhnologiya AO	RU	Announced
3.	355	Minority stake 11%	LPP SA	PL	Undisclosed acquirors		Completed
4.	231	Acquisition 100%	Cemex SAB de CV's assets in Bosnia and Herzegovina; Cemex SAB de CV's assets in Montenegro; Cemex SAB de CV's assets in Serbia; Cemex SAB de CV's operations in Croatia	B A ; M E ; R S ; HR	Duna-Drava Cement Kft	HU	Announced
5.	160	Acquisition 100%	Cemex SAB de CV's operations in Hungary; Cemex SAB de CV's operations in Austria	HU; AT	Sudbayerisches Portland-Zementwerk Gebr. Wiesbock & Co. GmbH	DE	Announced
6.	130	Acquisition increased to 100%	IRI Investments SRL	RO	Ingka Holding Europe BV	NL	Completed
7.	126	Acquisition 100%	Traikan Vell Servis OOO	RU	RN-Aktiv OOO	RU	Completed
8.	60	Acquisition 100%	Fornetti Holding Kft	HU	Aryzta AG	CH	Completed
9.	60	IBO 100%	Vltava-Labe-Press AS	CZ	Penta Investments SRO	CZ	Completed
10.	51	Acquisition increased from 37% to 100%	Genera dd	HR	Dechra Pharmaceuticals plc	GB	Announced
11.	25	Minority stake 16%	Mosenergosbyt PAO	RU	Brokerskaya Kompaniya Region OOO	RU	Completed
12.	24	Minority stake increased from 25% to 50%	Iskitimtsement OAO	RU	Topkinskii Tsement OOO	RU	Completed
13.	23	Minority stake 10%	Zespol Elektrowni Patnow Adamow Konin SA	PL	Trigon XIX Fundusz Inwestycyjny Zamkniety	PL	Completed
14.	22	Acquisition 100%	Kazgod Sp zoo	PL	Origin Enterprises plc	IE	Announced
15.	19	Minority stake 10%	Bank Vozrozhdenie PAO	RU	Pervyi Obedinennyi Bank OAO	RU	Completed
16.	18	Minority stake 9%	Bank Vozrozhdenie PAO	RU	Moskovskii Kreditnyi Bank OAO	RU	Completed
17.	15	Minority stake increased from 2% to 9%	Bank Vozrozhdenie PAO	RU	Promsvyazbank PAO	RU	Completed
18.	12	Capital Increase	Bank Natsionalni Investytsiyi PAT	UA	Hruppa Ahrokompaniy Zhoda	UA	Announced
19.	11	Acquisition 95%	Farne Ihan dd	SI	Druzba Za Upravljanje Terjatev Bank dd	SI	Completed
20.	11	Minority stake 5%	Colian Holding SA	PL	Ziolopex Sp zoo	PL	Completed

*Whilst this deal is a restructuring transaction and thus may not strictly be considered M&A, it has been included in all volume and value tables so as to be counted among the region's deals for the period

Top 20 private equity deals by value

	Deal value (mil EUR)	Deal type	Target	Target country	General Partner/Fund Manager	Deal status
1.	60	IBO 100%	Vltava-Labe-Press AS	CZ	Penta Investments SRO	Completed
2.	3	Minority stake increased to 10%	Diksi Grupp OAO	RU	Prosperity Capital Management (UK) Ltd	Completed
3.	2	Minority stake 20%	Median OOO	RU	Guard Capital	Completed
4.	1	Minority stake	Mfind Sp zoo	PL	MCI Capital Towarzystwo Funduszy Inwestycyjnych SA	Completed
5.	1	Minority stake	Starbroker Sp zoo	PL	MCI Capital Towarzystwo Funduszy Inwestycyjnych SA	Completed
6.	1	Minority stake 40%	Swiss NutriFarm Sp zoo	PL	Novina SA	Completed
7.	0	Capital Increase	AXS Motionsystem Kft	HU	Szechenyi Tokealap-Kezelo Zrt	Completed
8.	0	Minority stake	Sher.ly Sp zoo	PL	KPD Investment Sp zoo Sp k	Completed
9.	0	Minority stake	JetCat Games	LT	Practica Capital UAB	Completed
10.	0	Minority stake	Simpl OOO	RU	VTB Kapital Upravlenie Aktivami ZAO	Completed
11.	n.a.	IBO 100%	LETA SIA	LV	UP Invest OU	Announced
12.	n.a.	IBO 100%	Trigranit Fejlesztési Kft's asset management platform	HU	TPG Capital Management LP	Announced
13.	n.a.	IBO 100%	Centrul Medical Unirea SRL	RO	Mid Europa Partners LLP	Announced
14.	n.a.	Minority stake	Platforma Badan Genetycznych	PL	MCI Capital Towarzystwo Funduszy Inwestycyjnych SA	Completed
15.	n.a.	IBO 70%	Metus doo	HR	Serendipity Innovations AB	Announced
16.	n.a.	Minority stake 4%	Skypicker.com SRO	CZ		Completed

Year-on-year growth in private equity investment value

Private equity investment activity targeting CEE-based companies fell back in August compared to July, with 16 deals worth a combined EUR 69 million, down from 24 worth EUR 197 million. However, while volume was also lower than the 24 transactions signed off at the same time last year, value was higher in the four weeks under review (August 2014: EUR 47 million).

The volume of private equity investments targeting Russian companies slipped for the second consecutive month to 3 deals (June: 29; July: 6), while value fell to EUR 5 million after a brief uptick in July. Investment activity was also down compared to the same time last year (August 2014: 12 deals worth EUR 17 million).

No private equity transaction surpassed EUR 100 million in value during August. The region's largest investment was the acquisition of Czech Republic-based newspaper publisher Vltava-Labe-Press by Penta Investments for EUR 60 million.

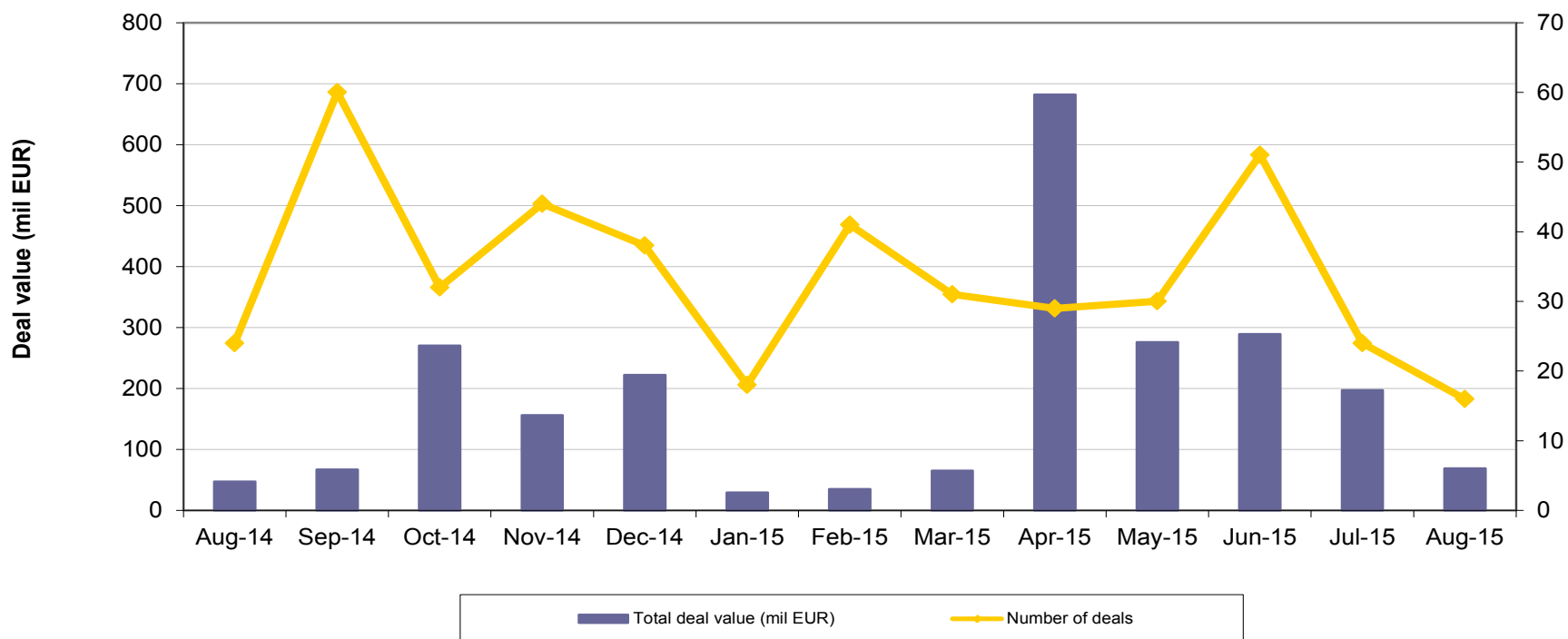
Private equity deals by volume and value

Announced date	No of deals	Total deal value (mil EUR)
Aug-15	16	69
Jul-15	24	197
Jun-15	51	289
May-15	30	276
Apr-15	29	682
Mar-15	31	65
Feb-15	41	35
Jan-15	18	29
Dec-14	38	222
Nov-14	44	156
Oct-14	32	270
Sep-14	60	67
Aug-14	24	47

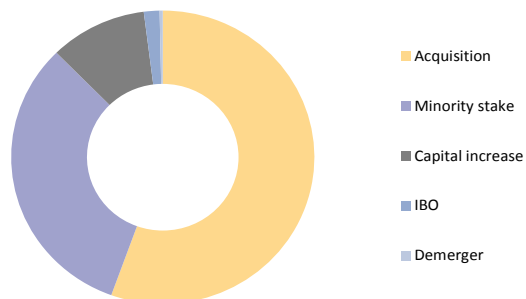
Russian private equity deals by volume and value

Announced date	No of deals	Total deal value (mil EUR)
Aug-15	3	5
Jul-15	6	41
Jun-15	29	7
May-15	9	10
Apr-15	10	284
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

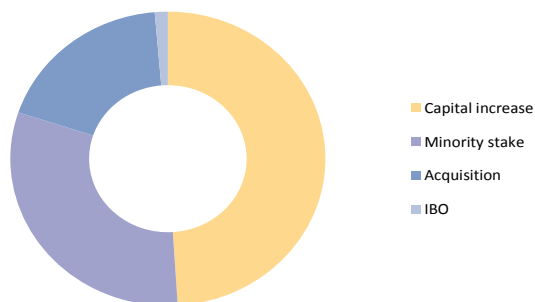
Private equity deals by volume and value in CEE



Deal types by volume in August



Deal types by value in August



Deal types by volume

Deal type	Aug-14	Jul-15	Aug-15
Acquisition	491	343	166
Minority stake	253	249	96
Capital increase	65	76	31
IBO	1	4	5
Demerger	4	3	1

Deal types by value

Deal type	Aug-14 (mil EUR)	Jul-15 (mil EUR)	Aug-15 (mil EUR)
Capital increase	1,483	6,241	2,201
Minority stake	814	3,554	1,397
Acquisition	3,872	3,407	834
IBO	0	108	60

Target sectors by volume

Target sector	Aug-14	Jul-15	Aug-15
Other services	253	186	90
Wholesale & retail trade	111	91	31
Banks	79	74	28
Gas, water, electricity	26	32	20
Primary sector	39	10	19
Machinery, equipment, furniture, recycling	56	38	18
Chemicals, rubber, plastics	27	40	16
Construction	63	50	15
Food, beverages, tobacco	31	23	15
Transport	29	27	14
Hotels & restaurants	11	21	12
Publishing, printing	17	21	8
Metals & metal products	19	22	4
Wood, cork, paper	5	4	4
Textiles, wearing apparel, leather	19	8	3
Insurance companies	12	19	2
Education, health	13	11	1
Post and telecommunications	0	1	1
Public administration and defence	0	0	0

Target sectors by value

Target sector	Aug-14 (mil EUR)	Jul-15 (mil EUR)	Aug-15 (mil EUR)
Machinery, equipment, furniture, recycling	1,042	525	2,161
Chemicals, rubber, plastics	44	1,311	1,330
Other services	1,002	1,838	385
Primary sector	438	1,186	278
Banks	2,080	5,773	97
Food, beverages, tobacco	118	14	74
Publishing, printing	11	73	62
Gas, water, electricity	426	1,165	48
Wholesale & retail trade	275	96	36
Transport	20	62	10
Construction	202	349	8
Hotels & restaurants	216	337	2
Metals & metal products	195	524	1
Post and telecommunications	0	1	1
Insurance companies	14	54	0
Wood, cork, paper	2	0	0
Textiles, wearing apparel, leather	26	1	0
Education, health	40	2	0
Public administration and defence	0	0	0

Top countries by volume

Target country	Aug-14	Jul-15	Aug-15
Russia	193	153	79
Poland	81	162	60
Ukraine	48	57	24
Romania	48	105	23
Bulgaria	304	24	20
Latvia	29	25	16
Estonia	28	34	14
Croatia	4	8	12
Bosnia And Herzegovina	7	21	11
Serbia	6	13	10
Moldova	7	9	7
Czech Republic	16	12	7
Hungary	11	11	6
Lithuania	6	3	5
Slovenia	3	9	4
Belarus	24	22	4
Montenegro	0	2	1
Macedonia	1	0	0
Slovakia	5	6	0
Albania	0	0	0
Kosovo	0	0	0

Top countries by value

Target country	Aug-14 (mil EUR)	Jul-15 (mil EUR)	Aug-15 (mil EUR)
Russia	3,319	9,484	3,291
Poland	1,117	1,706	442
Croatia	133	37	284
Bosnia And Herzegovina	3	200	234
Serbia	6	13	233
Montenegro	0	0	231
Hungary	310	18	221
Romania	231	183	134
Czech Republic	717	43	64
Ukraine	16	146	28
Slovenia	1	42	16
Bulgaria	98	1,197	6
Moldova	0	0	1
Belarus	7	98	0
Lithuania	0	0	0
Macedonia	0	0	0
Slovakia	216	108	0
Albania	0	0	0
Latvia	1	30	0
Kosovo	0	0	0
Estonia	7	5	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 01/08/2015 - 24/08/2015 inclusive