

PRESS RELEASE

Date 2nd February 2017
Page(s) 3
Subject Emerging Europe M&A report 2016/2017

**CMS Reich-Rohrwig Hainz
Rechtsanwälte GmbH**
Gauermannngasse 2
1010 Vienna
Austria

cms.law

T +43 1 40443-4000
F +43 1 40443-94000
E presse@cms-rrh.com

M&A market in Central-Eastern Europe boasts its highest value since 2013 as well as attractive assets for 2017

According to the “Emerging Europe M&A report 2016/2017” published by CMS in cooperation with EMIS, M&A deals in Central-Eastern Europe peaked in value in 2016 at €86.7bn. The analysis also shows that domestic and Asian investors have been increasingly active in the CEE region, creating a positive outlook for the region in 2017.

“Emerging Europe M&A Report 2016/2017”, jointly published by CMS and EMIS, shows trends in 15 CEE countries in 2016 combined with forecasts for 2017. The transaction volume of €87.7bn of the M&A market in CEE in 2016 is the highest result since 2013. With close to 2,000 transactions, the CEE region experienced a 7% decline in the volume of announced deals, but their median transaction value increased by €2mn to €11.2mn.

Radivoje Petrikic, Partner, CEE Corporate Practice, CMS, comments: The outstanding feature of 2016 in CEE was also the rapidly growing influence of Asian investment, most notably from China. The strong Chinese interest in the region is a relatively recent development, laying the foundations for a wave of investment into the future.

Helen Rodwell, Partner, CEE Corporate Practice, CMS, adds: Dealmakers acted cautiously as global economic growth remained weak, amid uncertainty about election and referendum results. Confidence picked up towards the end of 2016, setting the scene for robust M&A activity in 2017. There are many reasons to be positive about this year, including the potential pipeline of deals that already await completing.

CEE strongly fragmented, “rising stars” Czech Republic and Romania

According to CMS, a law firm that has worked on more deals in CEE countries in the last five years than any other law firm*, the varied performance of individual countries in 2016 reflected the fragmented nature of the region. Russia and Poland retained their first and second positions respectively in deal activity, despite drops in transaction numbers. The rising stars of the region were the Czech Republic and Romania.

**based on the EMIS League Tables 2012-2016*

Austria among the five largest investors in CEE

In 2016 the UK and China doubled their spending in CEE to €5.2bn and €4.4bn respectively to become the second- and third-largest foreign investors in the region. The value of US spending in the region dropped by two-thirds; however, the US remained the largest foreign investor in CEE by the number of deals (88), followed by the UK (75), Germany (66), France (46) and Austria (37).

Real estate and construction most active industry in 2016, banking sector strong in 2017

Stefan Stoyanov, Global Head of M&A Database, EMIS: In 2017 we expect to see more deals in the banking sector. Low profits, the ongoing restructuring of Greek lenders, the billions in fees imposed on financial institutions, new sector regulations, and the Italian banking crisis are all certain to spur even more disposals of equity ownership and separate NPL portfolios across Emerging Europe.

Across the region, the most active sectors were real estate and construction, with 357 deals worth €17.8bn (89% increase in deal value) followed by manufacturing, telecoms and IT.

Private Equity in CEE has reached maturity

The CEE markets witnessed increased PE interest in 2016 – the combined value of PE entries and exits more than doubled to €28.4bn. Overall, PE entries were double the exits. One sign of the region's growing self-confidence is the number of deals which are not reliant on outside investors. Many domestic companies and private equity firms have reached a size where they can conduct cross-border deals of their own. Russia (575), the Czech Republic (159), Poland (146) and Turkey (112) were among the most active.

The report is available [here](#) for free download on our website.

- END -

Contact:

Kristijana Lastro

Head of Marketing & Communications

T +43 1 40443 4000

E kristijana.lastro@cms-rrh.com

This and other press releases can be downloaded from our home page under [cms.law](https://www.cms.law).

About EMIS

EMIS operates in and reports on countries where high reward goes hand-in-hand with high risk. We bring you time-sensitive, hard-to-get, relevant news, research and analytical data, peer comparisons and more for over 120 emerging markets. Our information platform provides a unique blend of analysis, data and news on companies, industries and countries. We license content from the cream of the world's macroeconomic experts, the most renowned industry research firms and the most authoritative news providers. We combine this with our own company and M&A research to offer a multi-faceted view of each emerging market. Formed over 20 years ago, we employ nearly 300 people in 13 countries around the world, providing intelligence to nearly 2,000 clients. We are part of Euromoney Institutional Investor plc. For more information, please visit www.emis.com

About CMS Reich-Rohrwig Hainz

CMS Reich-Rohrwig Hainz is one of the leading law firms in Austria and Southeast Europe. Because we are specialists, our lawyers and tax advisors are able to provide you with advice of the highest calibre and sophistication, both from a legal perspective as well as through our industry specific know-how. Highly-specialised teams consisting of internationally experienced lawyers primarily provide services in the following fields of law: M&A, banking and finance, real estate, construction law, taxes, labour laws, IP and IT laws, and public procurement.

We not only create sound legal solutions for you but also work to create pragmatic solutions, also with regards to your commercial goals. Our solutions correspond as much as possible to your company's business needs. We operate offices in Vienna, Belgrade, Bratislava, Brussels, Istanbul, Kiev, Ljubljana, Podgorica, Sarajevo, Sofia and Zagreb. All CMS offices together offer clients a team of more than 600 experienced specialists in 15 offices across the CEE/SEE region. cms.law

About CMS

Founded in 1999, CMS is a full-service top 10 international law firm, based on the number of lawyers (Am Law 2016 Global 100). With 65 offices in 38 countries across the world, employing over 3,400 lawyers, CMS has longstanding expertise both at advising in its local jurisdictions and across borders. CMS acts for a large number of Fortune 500 companies and the FT European 500 and for the majority of the DAX 30. Revenues totalled EUR 1,01bn in 2015.

CMS provides a wide range of expertise across 19 expert practice and sector areas, including Corporate/M&A, Energy, Funds, Lifesciences, TMC, Tax, Banking and Finance, Commercial, Competition & EU, Dispute Resolution, Employment & Pensions, Intellectual Property and Real Estate & Construction.

For more information, please visit cms.law

CMS offices and associated offices: Aberdeen, Algiers, Amsterdam, Antwerp, Barcelona, Beijing, Belgrade, Berlin, Bogotá, Bratislava, Bristol, Brussels, Bucharest, Budapest, Casablanca, Cologne, Dubai, Duesseldorf, Edinburgh, Frankfurt, Geneva, Glasgow, Hamburg, Hong Kong, Istanbul, Kyiv, Leipzig, Lima, Lisbon, Ljubljana, London, Luxembourg, Lyon, Madrid, Medellín, Mexico City, Milan, Montenegro, Moscow, Munich, Muscat, Paris, Podgorica, Prague, Rio de Janeiro, Rome, Santiago de Chile, Sarajevo, Seville, Shanghai, Sofia, Strasbourg, Stuttgart, Tirana, Tehran, Utrecht, Vienna, Warsaw, Zagreb and Zurich.