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Emerging Europe: M&A Report 2012

CMS and DealWatch

2013

Dear Readers,

We are delighted to launch the second edition of the “Emerging Europe: M&A Report”, which has been co-authored by CMS and Emerging Markets M&A information and data source ‘DealWatch‘. The Report highlights 2012 Mergers & Acquisitions (M&A) activity in the Central and Eastern Europe (CEE) region and provides our deal activity predictions for 2013.

Being a leading law firm on the CEE M&A market, CMS is ideally placed to comment on the deal activity in the region, based on data compiled by DealWatch. We have again asked our partners and associates to outline their views on the markets in which they operate.

2012 was an unpredictable and turbulent year - a feared Greek exit from the Eurozone, widespread economic turmoil and threats to the single currency’s survival - all scenarios looked very possible. The uncertain situation was reflected in the number of deals, which dropped to its lowest level since 2009.

Despite the above the CMS corporate team remained busy across the region and once the deals started, and term sheets were exchanged, various deals signed, some with completion scheduled for 2013. Financing still remained heavily constrained and bank lending practices were more cautious than ever. Still, our CEE financing team worked on several high profile deals - the Walmark acquisition financing, €330m leveraged recapitalisation of SBB Serbia, Telemach Slovenia and Telemach Bosnia, and on a $540m loan to DTEK, the largest privately-owned, vertically-integrated energy company in Ukraine.

The outlook for CEE for 2013 continues to be dominated by the uncertain evolution of the debt crisis in Europe. The Organisation for Economic Cooperation and Development has lowered its growth forecasts for 2013, warning that the world economy could easily slip into recession if the US and the Eurozone’s fiscal problems are not resolved quickly.

The CEE region remains attractive to investors. It has been reflected in the growing interest from China which has opened a $10bn special credit line for joint investment projects in east European infrastructure and technology and a $500m investment co-operation fund.

We believe that 2013 will again bring a steady flow of deals. Despite turbulent times, CMS remains dedicated to the CEE region with the leading corporate M&A legal practice and the most extensive and experienced office network offering deal experts on the ground who are able to advise you on your future transactions.

We hope you will find the report useful.

With kind regards,

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League Tables

CEE Legal Advisers for 2012

Company	Deal Value (€m)	Number of deals
Salans	2752.88	34
CMS	**600.68**	**30**
White & Case	47320.87	18
Sorainen	964.15	17
LAWIN	1213.97	16
Freshfields Bruckhaus Deringer	6539.04	15
Clifford Chance	5151.49	15
Kinstellar	7086.46	14
Hogan Lovells	1678.71	13
DLA Piper	1416.44	12

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

— deal announcement date: January 1-December 31, 2012

— Emerging Europe geographic area, understood as the dominant country of operations of the deal target, covers: 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

— only announced and/or completed deals were taken into account

— deal value: at least US $1m **(note: deals with unspecified value were taken into account in calculations as having a value of zero)**

— all industries were included

— exclusions: rumoured or failed deals, convertibles issues, share buybacks, and employee offers

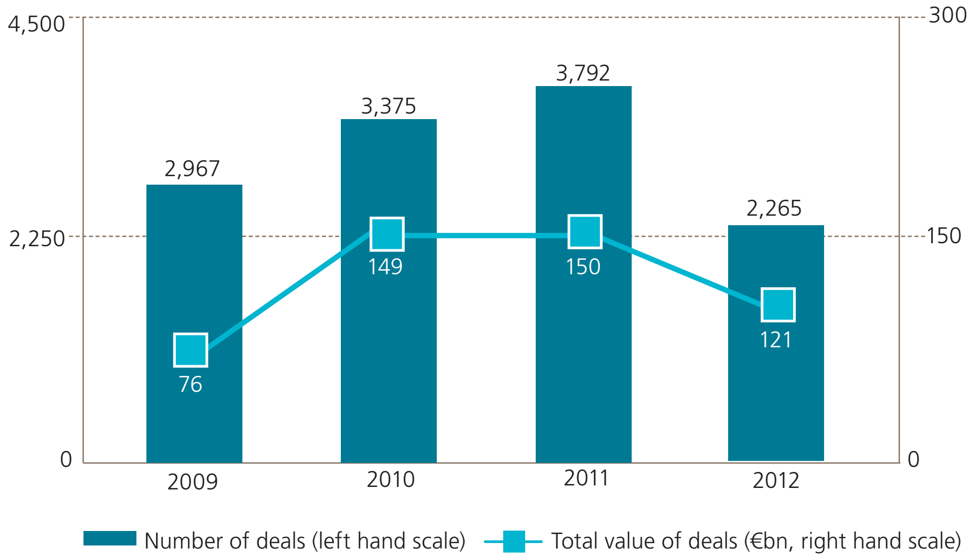
The ranking was created basing on deal advisory information available, according to our best knowledge as of December 31, 2012. The data can be subject to updates.

Emerging Europe Overview

The number of M&A deals in Emerging Europe countries in 2012 decreased by almost 40% from the previous year, with a total of 2,265 transactions.

M&A activity in the region was hampered by the drawn-out debt crisis in the Eurozone, the region's main trading partner, political turmoil in some states and tough austerity plans introduced by local governments.

The value of announced deals above the €1m threshold recorded a 19% annual drop with a total deal value of €121bn. Rosneft's acquisition of TNK-BP, Russia's largest-ever takeover deal, accounted for more than a third of the overall value.



The most active sector by deal numbers in 2012 was manufacturing with 395 deals representing nearly 18% of all transactions.

Mining (including oil & gas) was the leading sector in terms of deal value, with over €58bn accounting for nearly half of the overall market.

The largest deal in Emerging Europe in 2012 was Rosneft's acquisition of Anglo-Russian oil firm TNK-BP, which it bought from BP and a consortium of Russian investors for around €43bn.

M&A in Russia accounted for 39% of all CEE deals and 82% of the total deal value in 2012. Poland came second with a 15% share in deal number and a 7% share in total deal value.

Russia's intensifying economic slowdown and the central bank's measures to clamp down on inflation and volatile markets hurt dealmaking in the country in 2012 and forced many companies to put off plans to list or make acquisitions.

State-owned corporations continue to be active and are increasing their share of overall M&A deal activity. In 2013, we expect to see significant activity in Russia's natural resources, infrastructure, high-tech and consumer sectors.

In Poland, consumer goods, retail, health and pharmaceuticals are among the sectors that remain very attractive for potential buyers. In the financial sector, the pressure on European banks from the region's debt crisis could force more of them to sell their local units.

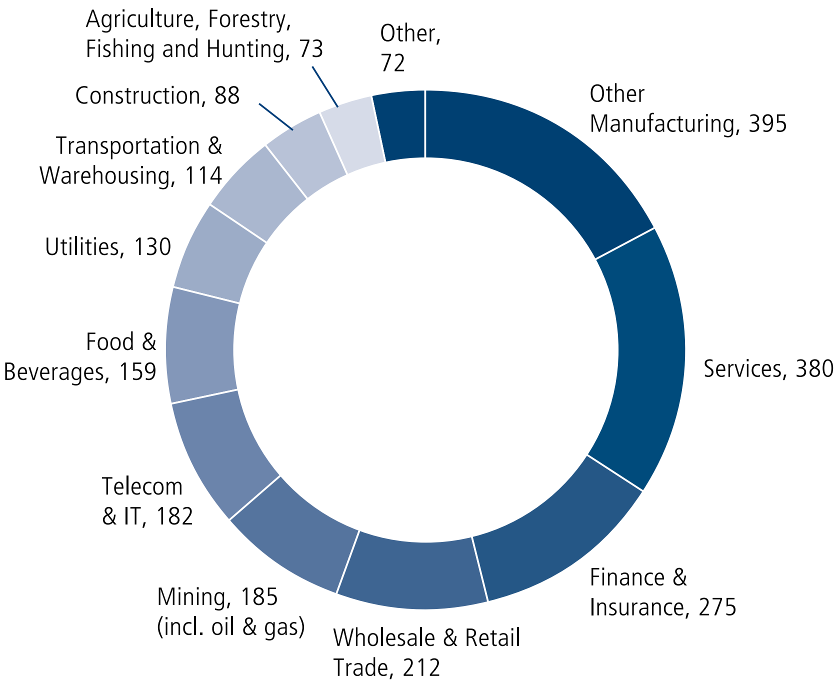
Poland also plans to complete its 20-year privatisation program by selling stakes in around 160 companies in 2013. The sell-off list includes stakes in Poland's top bank PKO BP, utility firm PGE, insurer PZU, chemical group Ciech, real estate holding company PHN, coal mining company JSW and gas monopoly PGNiG.

M&A activity throughout CEE in 2013 will largely hinge on the availability of bank liquidity for deal financing, the implementation of austerity measures and the path of the Eurozone sovereign debt crisis.

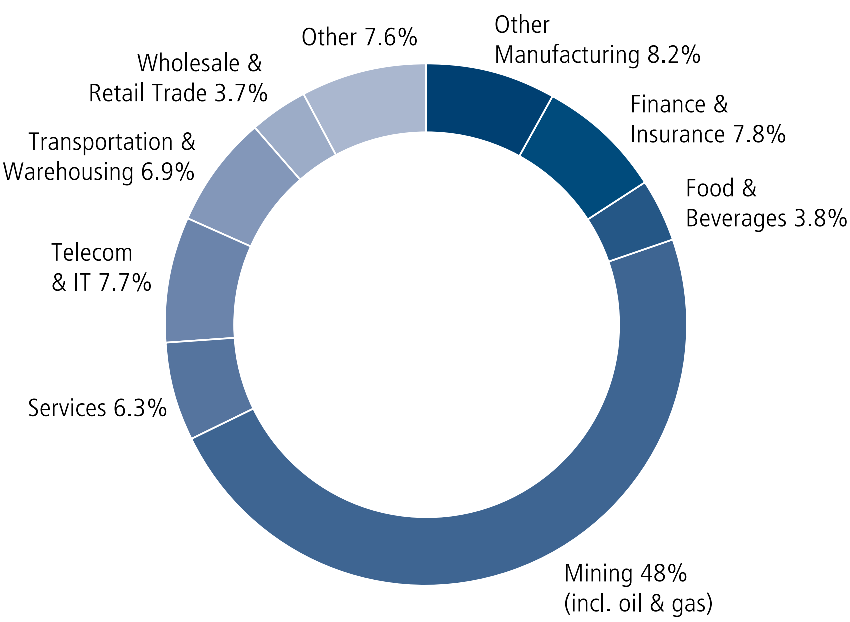
Boris Maleshkov
DealWatch Editor-in-Chief

Emerging Europe: Deals by Sector (2012)

Number of Deals by Sector in Emerging Europe (2012)



Share of Sector in Total Value of Deals in Emerging Europe (2012)



Emerging Europe: Top 20 Deals (2012)

Target Company	Sector	Deal Type	Country of Target	Buyer	Country of Buyer	Deal Value (€m)
TNK-BP	Mining (incl. oil & gas)	Minority Stake Purchase (50%)	Russia	Rosneft	Russia	21,538
TNK-BP	Mining (incl. oil & gas)	Minority Stake Purchase (50%)	Russia	Rosneft	Russia	21,364
Rosneft	Other Manufacturing	Privatisation (5.7%)	Russia	BP	United Kingdom	3,721
VimpelCom Ltd	Telecom & IT	Minority Stake Purchase (14.8%)	Russia	Altimo Holding Company	Russia	2,927
StarBev L.P.	Food & Beverages	Acquisition (100%)	Bulgaria, Serbia, Romania, *	Molson Coors Brewing Company	United States	2,650
Slovensky Plynarensky Priemysel (SPP)	Utilities	Minority Stake Purchase (49%)	Slovakia	Energeticky A Prumyslovy Holding	Czech Republic	2,500
MegaFon	Telecom & IT	Acquisition (18.9%)	Russia	AF Telecom Holding	Russia	2,318
Freight One	Transportation & Warehousing	Minority Stake Purchase (25%)	Russia	United Cargo Logistics Holding	Russia	1,237
Gazprombank	Finance & Insurance	Minority Stake Purchase (10.2%)	Russia	Vnesheconombank (VEB)	Russia	1,217
Norilsk Nickel	Other Manufacturing	Minority Stake Purchase (4.9%)	Russia	Millhouse Capital	Russia	1,153
Shpilman hydrocarbon field	Mining (incl. oil & gas)	Privatisation (100%)	Russia	Surgutneftegas	Russia	1,135
Metro Group's Real hypermarket business in CEE	Wholesale & Retail Trade	Acquisition (100%)	Russia, Ukraine, Romania, Poland	Auchan Group	France	1,100
Oil and Gas Company Itera	Mining (incl. oil & gas)	Acquisition (51%)	Russia	Rosneft	Russia	1,072
Northgas	Mining (incl. oil & gas)	Minority Stake Purchase (49%)	Russia	Novatek	Russia	1,058
Euroset	Wholesale & Retail Trade	Minority Stake Purchase (50%)	Russia	MegaFon	Russia	1,039
Kredyt Bank S.A.	Finance & Insurance	Merger (100%)	Poland	Banco Santander; Bank Zachodni WBK	Spain; Poland	1,019
Baltika Breweries	Food & Beverages	Minority Stake Purchase (15.3%)	Russia	Carlsberg	Denmark	991
Actavis Group	Other Manufacturing	Acquisition (100%)	Albania, Bulgaria, Belarus, **	Watson Pharmaceuticals	United States	978
Far-Eastern Shipping Company (FESCO)	Transportation & Warehousing	Acquisition (56%)	Russia	Summa Capital	Russia	902
Albpetrol	Mining (incl. oil & gas)	Privatisation (100%)	Albania	Vetro Energy	United States	850

* (cont'd) Croatia, Czech Republic, Montenegro, Bosnia-Herzegovina, Slovakia, Hungary

** (cont'd) Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Kosovo, Latvia, Lithuania, Macedonia, Moldova, Poland, Romania, Russia, Serbia, Slovakia, Ukraine

— For deals that involve targets operating in more than one country, the deal value is broken down and allocated across all countries involved. The allocation is done based on each country's contributions to the overall revenues of the target company. The resulting allocated value is included in the volume of deals and the sector breakdowns for each profiled country, for Emerging Europe and for the PE sector.

— The list of top deals for each country includes only deals where the target's operations are restricted to the respective country. The list of top deals for Emerging Europe and the PE sector may include deals where the target operates in multiple countries.

Introduction to Private Equity

Dear Readers,

In light of CMS' depth of expertise and increasing private equity client base, we have decided to dedicate an entire section in this year's edition of the Report to private equity in Emerging Europe.

Overall, private equity deal flow in CEE was somewhat muted in 2012, with many private equity investors "window-shopping" for opportunities in the region but failing to commit. Lingering Eurozone uncertainty, and question marks as to when certain countries in CEE will start to see a sustained recovery, have dampened investor confidence.

Despite the widespread economic gloom, there were pockets of private equity activity throughout the region in 2012, particularly in Poland (CEE's - and EU's - best achiever), Russia, Hungary, the Czech Republic, Romania and Bulgaria (the latter two of which continue to deliver a number of what private equity professionals at a recent conference saw as "good companies with bad balance sheets"). These countries have indeed generated a number of exciting opportunities (with CMS being involved in many instances) including the sale by Riverside Partners of MK Zary (the leading Polish chimney maker which Riverside acquired in 2006) to Isotip Joncoux Group in May 2012, the acquisition by Citigroup Venture Capital International and NBGI Private Equity of a majority stake in a large Bulgarian confectionery business, the acquisition by Mid Europa Partners of a 50% stake in Walmark, the Czech vitamin and supplement maker, and the acquisition of EnergoBit in Romania by Innova Capital and the European Bank for Reconstruction and Development.

It is interesting to note that the two largest transactions in the region, according to DealWatch, were across several jurisdictions (including Serbia, Bulgaria, Romania, Hungary, Poland, Moldova, Macedonia and Lithuania), which indicates that there are still a number of large, successful, pan-European businesses in the region that investors will no-doubt continue to keep their eyes on in the coming years. Given some of the domestic players' newfound overseas growth ambitions (which private equity houses appear happy to fuel) more such companies may appear on the market in the coming years, as attractive secondary buy-out opportunities or potential consolidation targets for strategic investors.

As for the year ahead, we predict that funds will continue to be cautious and will remain so until there is greater clarity as to the likely outcome of the Eurozone discussions. Despite this, CEE remains a region with great growth potential, and indeed we may even see a slight uptick in activity as boom-time funds face increasing pressure to exit their portfolio companies (and return much needed liquidity to their LPs) and as strategics resolve to put up for sale those companies that are considered to be 'non-core'.

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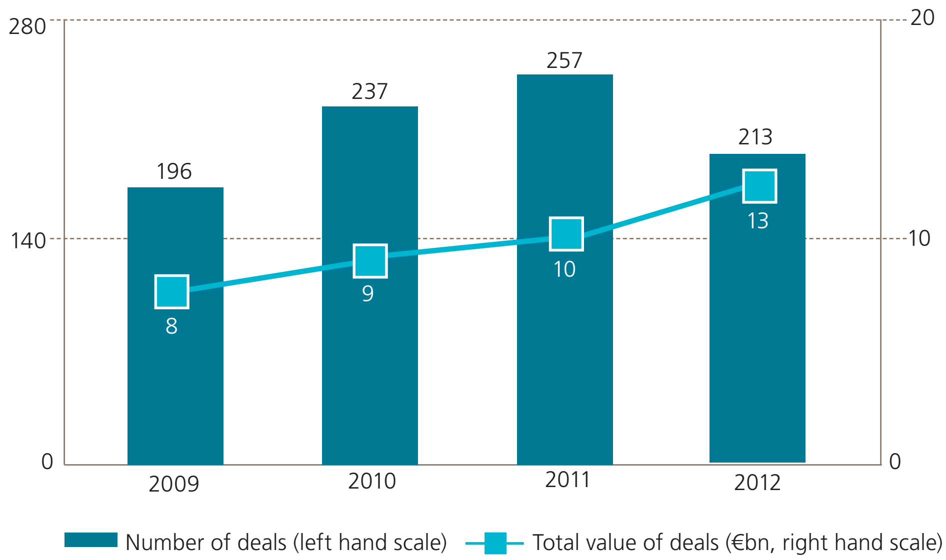
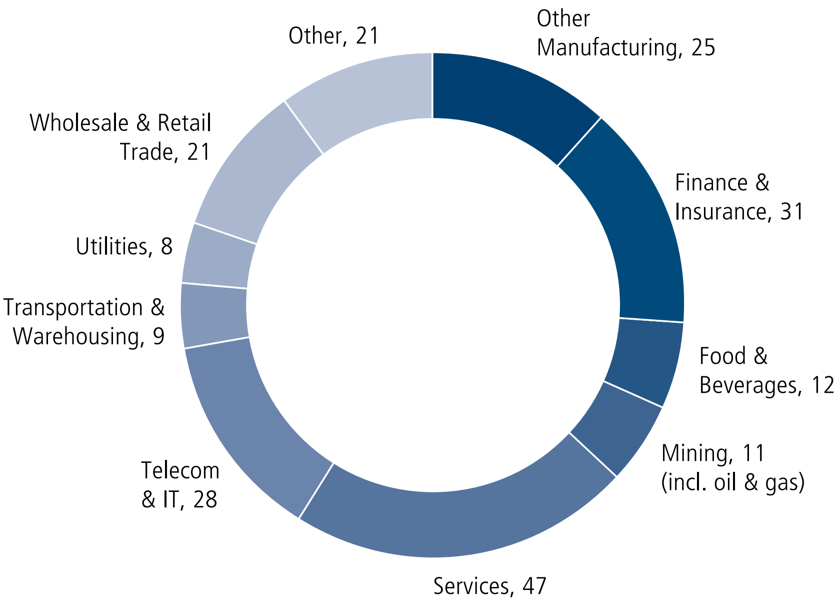
Private Equity in Emerging Europe

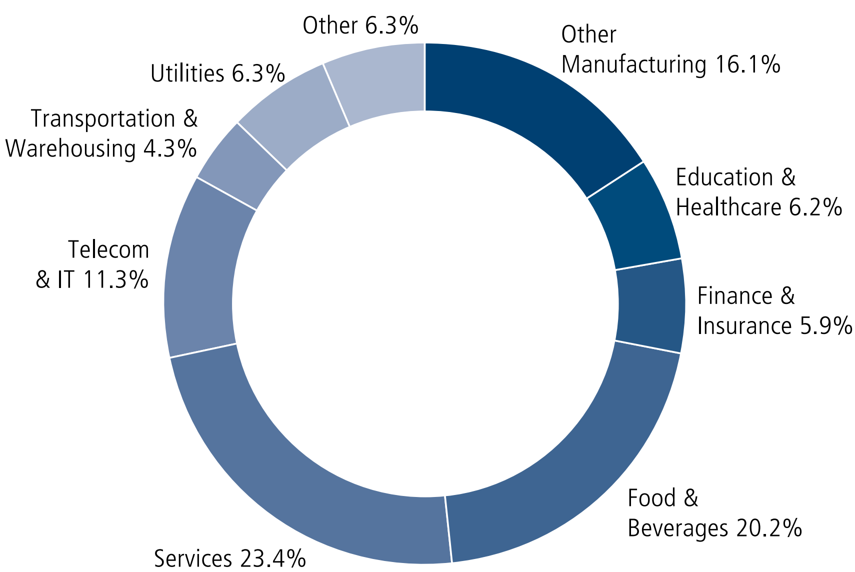


Private Equity: Deals by Sector (2012)

Number of Deals by Sector in Private Equity (2012)



Share of Sector in Total Value of Deals in Private Equity (2012)



Private Equity: Top 20 Deals (2012)

Target Company	Sector	Deal Type	Country of Target	Buyer	Country of Buyer	Deal Value (€m)
StarBev L.P.	Food & Beverages	Acquisition (100%)	Bulgaria, Serbia, Romania, *	Molson Coors Brewing Co	United States	2,650
Actavis Group	Other Manufacturing	Acquisition (100%)	Albania, Belarus, Bulgaria, **	Watson Pharmaceuticals Inc	United States	978
Galeria shopping mall in St. Petersburg	Services	Acquisition (100%)	Russia	Morgan Stanley Real Estate	United States	833
AvtoVAZ	Other Manufacturing	Acquisition (25.01%)	Russia	Nissan; Renault	Japan, France	573
VimpelCom Ltd	Telecom & IT	Minority Stake Purchase (3.15%)	Russia	Telenor	Norway	538
Enel OGK-5	Utilities	Minority Stake Purchase (26.43%)	Russia	AGC Equity Partners; Macquarie Renaissance Infrastructure Fund; Rusenergo Fund; Russian Direct Investments Fund (RDIF)	United Kingdom, Russia	485
Lux Med Sp. z o.o.	Education & Healthcare	Acquisition (100%)	Poland	Bupa Group	United Kingdom	401
Manufaktura shopping centre	Services	Acquisition (100%)	Poland	Union Investment Real Estate	Germany	390
Bashkirenergo	Utilities	Minority Stake Purchase (38.77%)	Russia	Inter RAO UES	Russia	351
Medsi	Education & Healthcare	Minority Stake Purchase (50%)	Russia	Apax Partners; Moscow City Government; Russian Direct Investments Fund (RDIF)	United Kingdom, Russia	309
Ducat Place III business centre	Services	Acquisition (100%)	Russia	O1 Properties	Russia	301
Silver City Business Centre	Services	Acquisition (100%)	Russia	O1 Properties	Russia	269
Novorossiysk Commercial Sea Port (NCSP)	Transportation & Warehousing	Minority Stake Purchase (18.41%)	Russia	JP Morgan Chase & Co	United States	258
VimpelCom Ltd	Telecom & IT	Minority Stake Purchase (1.36%)	Russia	Altimo Holding Company	Russia	244
MICEX-RTS	Finance & Insurance	Minority Stake Purchase (7.54%)	Russia	European Bank for Reconstruction and Development (EBRD); Russian Direct Investments Fund (RDIF)	Global, Russia	239
Moscow Exchange MICEX-RTS	Finance & Insurance	Minority Stake Purchase (5.20%)	Russia	Cartesian Capital Group LLC; Russian Direct Investments Fund (RDIF)	United States, Russia	214
Warsaw Financial Centre office building	Services	Acquisition (100%)	Poland	Allianz SE; Curzon Capital Partners III	Germany, United Kingdom	210
Russian Machines	Other Manufacturing	Minority Stake Purchase (7.50%)	Russia	Altera Capital	Russia	181
Pushkino Logistics Park	Transportation & Warehousing	Acquisition (100%)	Russia	Raven Russia	United Kingdom	172
RFP Group	Agriculture, Forestry, Fishing and Hunting	Minority Stake Purchase (n.a. %)	Russia	Russian Chinese Investment Fund	Russia	159

* (cont'd) Croatia, Czech Republic, Montenegro, Bosnia-Herzegovina, Slovakia, Hungary

** (cont'd) Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Kosovo, Latvia, Lithuania, Macedonia, Moldova, Poland, Romania, Russia, Serbia, Slovakia, Turkey, Ukraine

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Bosnia and Herzegovina

In Bosnia and Herzegovina, 2012 represented a lack of significant investment activity as a result of the global economic crisis as well as the political crisis which started after the 2011 general elections and lasted until the end of 2012.

Due to the above reasons the actual volume of investments fell significantly short of expectations after the new governments in Bosnia and Herzegovina were established. As the new governments were not established until 10 months after the election, causing significant political instability, no significant foreign investment took place. Most M&A transactions were conducted outside of Bosnia and Herzegovina and the subjects of M&A were local subsidiaries of the main target companies established abroad. Local M&A activity consisted of small scale transactions of media/internet companies partly established by foreign investment as well as a sale/purchase transactions of a retail company which is still ongoing.

Other M&A transactions carried out in Bosnia and Herzegovina concerned the banking sector with the main goal of maintaining the stability of the financial system. The main transaction in the banking sector was the acquisition of the Austria-based Volksbank International AG by Sberbank, the largest Russian bank, which also included the acquisition of Volksbank's subsidiary in Bosnia and Herzegovina. The second transaction is ongoing and concerns another Austria-based bank, i.e., HYPO ALPE ADRIA BANK International and its subsidiaries in Bosnia and Herzegovina.

Therefore, acquisitions in 2012 were carried out in limited economic sectors, and at a significantly reduced scale compared to previous years and without the direct involvement of major local players from the relevant industries.

In addition, the unstable political and economic climate in Bosnia and Herzegovina contributed to the fact that the privatisation of state-owned companies was put on hold in 2012 and therefore the major M&A transactions concerning a telecommunications operator as well as the tobacco industry and the energy power industry were postponed until 2013.

For 2013 a significant increase in investment in the energy sector, mostly in renewable energy sources, as well as capital investments in the infrastructure and telecommunications/transport sector is expected.

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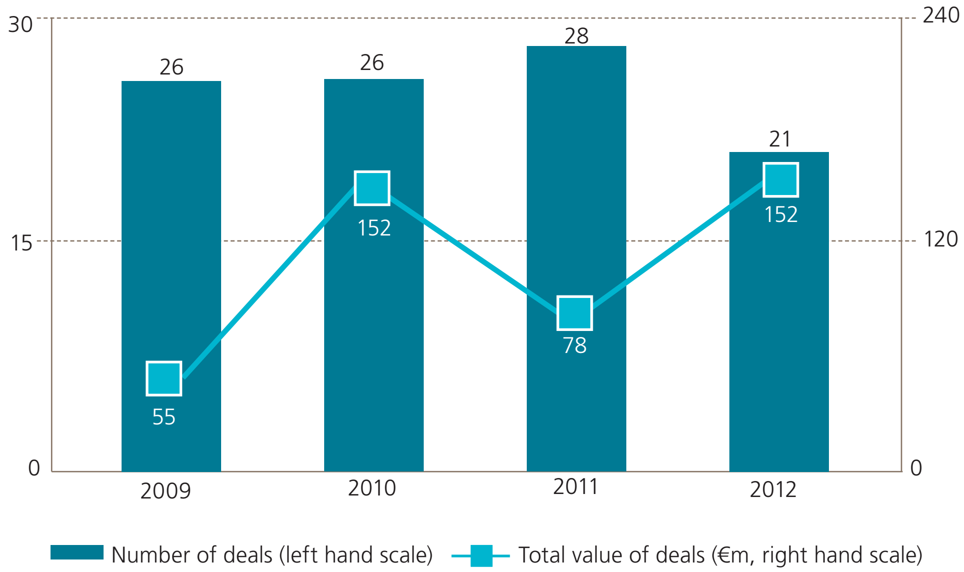
The Bosnia and Herzegovina M&A Market

Deals by Value and Volume in Bosnia and Herzegovina (2009-2012)



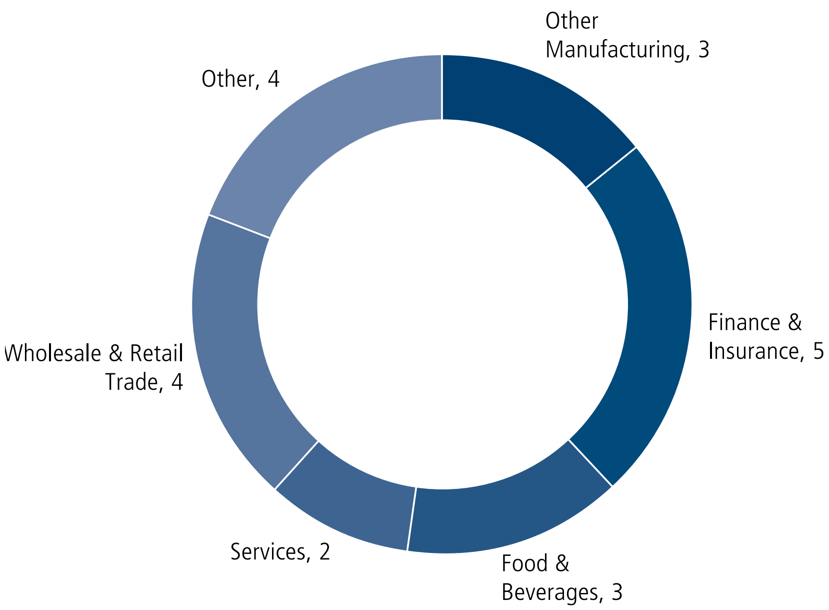
Top 5 Deals in Bosnia and Herzegovina (2012)

Target Company	Sector	Deal Type	Buyer	Country of Buyer	Deal Value (€m)
Natura Vita D.O.O.	Food & Beverages	Acquisition (100%)	Imlek A.D. Padinska Skela; Mlijekoprodukt D.O.O.	Serbia, Bosnia-Herzegovina	10
Pevec Shopping Centre	Services	Acquisition (100%)	FIS D.O.O.	Bosnia-Herzegovina	6
Unis-Valjaonica HVT a.d. Banja Luka	Other Manufacturing	Privatisation (100%)	Municipality of Banja Luka	Bosnia-Herzegovina	6
Varesh Zinc-Silver Project	Mining (incl. oil & gas)	Privatisation (100%)	Balamara Resources Ltd	Australia	3
Žitoprodukt AD Banja Luka	Food & Beverages	Acquisition (100%)	Bojanić	Bosnia-Herzegovina	1

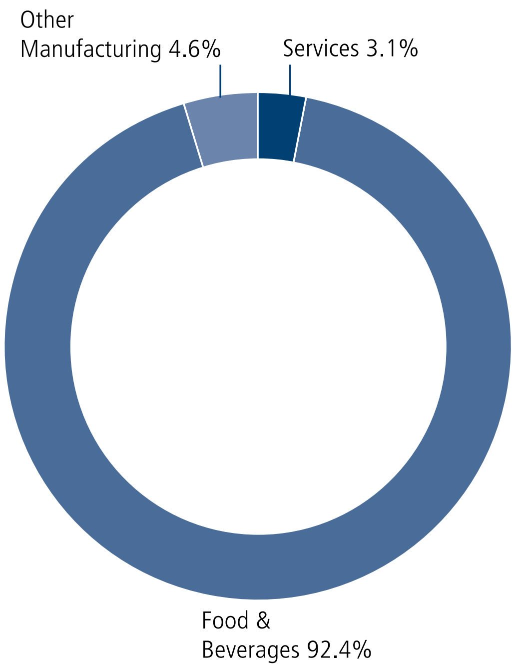
Deal values may be either official, market estimates or DealWatch estimates.

Deals by Sector in Bosnia and Herzegovina (2012)

Number of Deals by Sector in Bosnia and Herzegovina (2012)



Share of Sector in Total Value of Deals in Bosnia and Herzegovina (2012)



Bulgaria

The market in 2012 – still alive, but not very active.

The largest deal in Bulgaria this year was the restructuring of the debt of the Bulgarian Telecommunications Company group with its new partners, Bromak and VTB Bank. It brought to light one of the basic trends on the M&A market in 2012 – more focus on debt restructuring and less "fresh" mergers and acquisitions attempting to boost growth and synergies in businesses. Other deals that followed the same model were the acquisition of Gorubso-Madan and of the zinc production facilities of OTZK Kardzhali, which were sold at a public auction organised by a private bailiff. On a more positive note, it is worth mentioning that Bulgaria was one of the few countries throughout the region where the total deal value increased in 2012 in comparison to 2011.

Another tendency on the 2012 M&A market was the continuing negative influence of the economic and financial crisis in Bulgaria and throughout Europe. This kept investors' deal appetites low, especially in regions as uncertain as Eastern Europe. As a result, the Bulgarian market was dominated by deals between local players; with foreign investment more the exception than the rule (e.g. the Prista Oil and M&BM deals). Still, it was a comparatively dynamic year for Bulgaria and in terms of figures, investment grew. This was due to relatively stable macroeconomic indicators, but most importantly because of the reallocation of players in the various industry segments allowing for certain investors to step up whenever a good opportunity arose.

Preferred industries

With the exception of deals driven by the need for fresh or restructured financial resources, M&A investors demonstrated investment appetite in the fields of energy, food production and telecommunications.

Among the largest deals in the energy sector this year was the sale of Toplofikatziq Ruse EAD, announced towards the end of 2012. Others were the acquisition of E.oN Bulgaria and HPP-Energia Holding, owner and operator of hydropower plants, by Energo Pro; the acquisition of one of the largest solar parks in Europe, a 60MW park near Parvomay by a consortium of the Saudi energy company ACWA Power and two private equity firms: Turkish Crescent Capital and the American First Reserve; and acquisitions made by LUKErg Renew and the Chinese HEMS Bulgaria Group.

The food industry saw the acquisition of Veliko Tarnovo-based confectionery producer Prestige 96 by American CVC International and Greek NBGI Private Equity. At the same time, the Bulgarian holding Fikosota Sintez bought out the shares of co-investors in Ital Food Industry and thus became the sole owner of the food producing company.

Deals in the Telecom & IT sector were led by the Bulgarian Telecommunications Company AD transaction and the acquisition of a portfolio of television channels by Alegro Capital.

What's next

There is no reason to believe that 2013 will bring significant movement to the M&A market in Bulgaria. Investors will continue to focus on specific sectors of the economy and will remain cautious and reluctant to pay any premium on top of their assessment of a given business. The tendency for more parties to join up to share the risk of a given investment will make deals more complex and will likely cause delays in negotiation and completion of deals compared to previous years.

Considering the economic environment in Europe and the region we do not expect a significant increase in foreign investment. The majority of deals will be done by local players. Many private equity funds are expected to continue to focus on managing existing investments and will leave expansion plans behind. At the same time, however, it is possible that we will see more Bulgarian companies with multinational owners go to market seeking optimisation of their global activities in the new economic environment.

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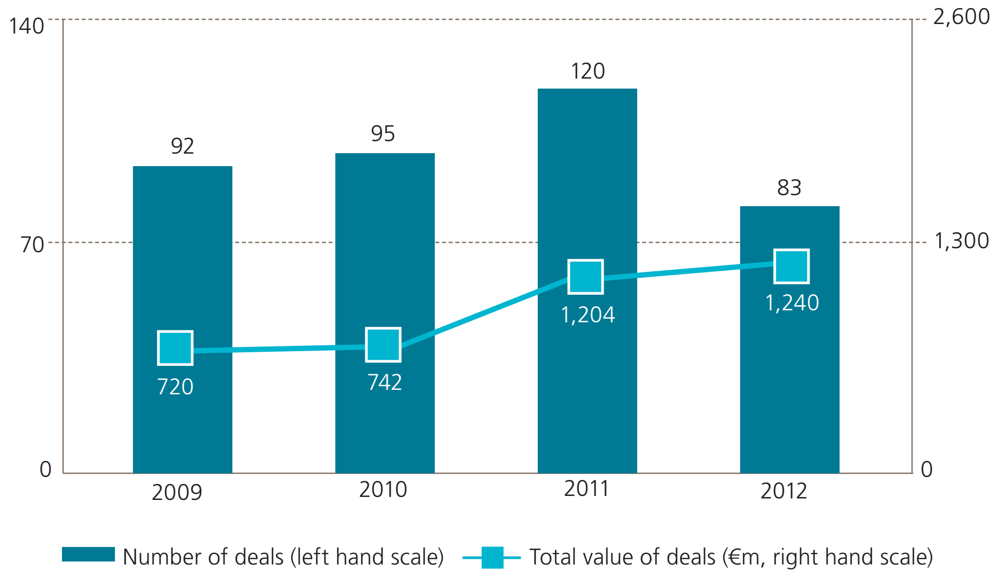
The Bulgarian M&A Market

Deals by Value and Volume in Bulgaria (2009-2012)



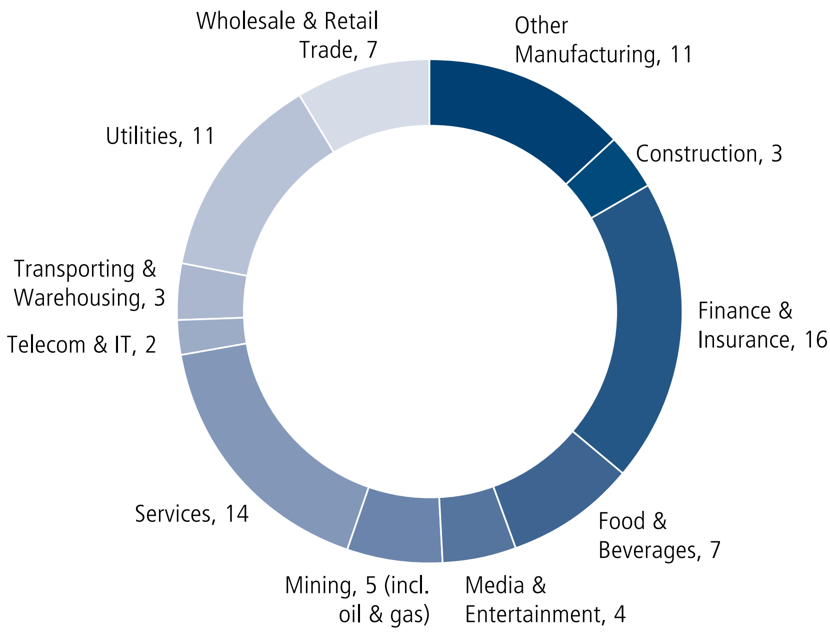
Top 10 Deals in Bulgaria (2012)

Target Company	Sector	Deal Type	Buyer	Country of Buyer	Deal Value (€m)
Bulgarian Telecommunications Company (BTC)	Telecom & IT	Acquisition (73%)	Bromak; VTB Bank	Bulgaria; Russia	130
Proventus Energy	Construction	Acquisition (100%)	Captive Audience Display Solutions	Ireland	57
Wind Park Kavarna East; Wind Park Kavarna West	Utilities	Acquisition (100%)	LUKErg Renew	Austria	52
Prista Oil	Other Manufacturing	Minority Stake Purchase (30%)	ADM Capital; EBRD	Hong Kong; Global	48
Toplofikatsia - Ruse	Utilities	Acquisition (100%)	Toplofikatsia Pleven	Bulgaria	28
Technoexportstroy	Construction	Privatisation (100%)	AT Engineering 2000	Bulgaria	26
Investbank	Finance & Insurance	Minority Stake Purchase (25%)	Adil Saeed Ahmed Al Shanfari - private investor	Oman	26
Bulgartabac Holding	Food & Beverages	Minority Stake Purchase (8.2%)	n.a.	n.a.	14.86
Unfinished building of IPK Rodina	Services	Privatisation (100%)	IPK Rodina	Bulgaria	10.23
Tamplier Hotel	Services	Acquisition (100%)	Chimimport Invest; Finance Consulting	Bulgaria	10.18

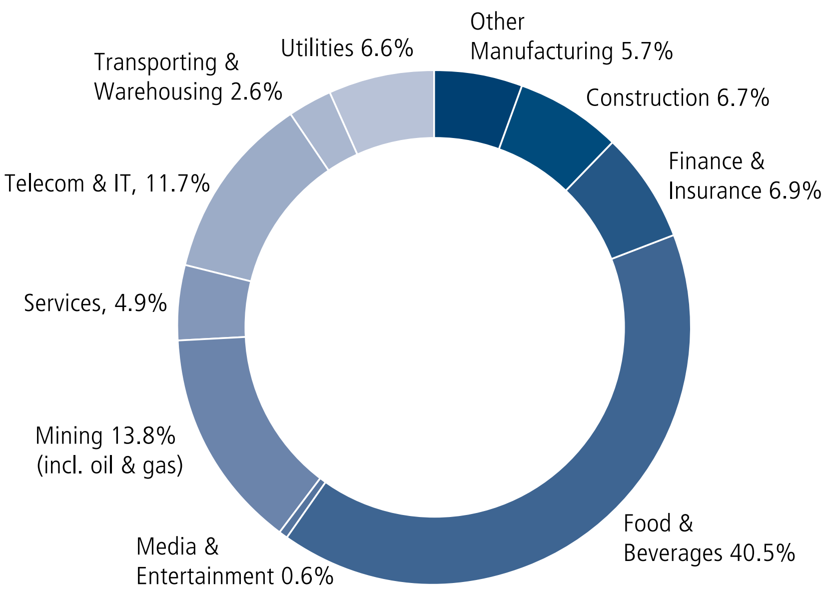
Regarding the above Top 10 deals for Bulgaria, please note that any deals which have been announced and/or completed but the exact value of the deal remains confidential have not been included.

Deals by Sector in Bulgaria (2012)

Number of Deals by Sector in Bulgaria (2012)



Share of Sector in Total Value of Deals in Bulgaria (2012)



Croatia

In 2012 the Croatian M&A market continued to slow down, however some bigger deals took place. While Croatia experienced a negative trend in the number of deals, overall value increased sharply.

In our opinion, most of the transactions were 'pushed' by the negative economic situation – meaning that it is the sellers who are searching for investors and not the investors for potential targets. Some of the current players pulled out from the market, which resulted in a lower volume of transactions – an almost 20% decrease compared to 2011.

In 2011 the state became more active on the M&A market and announced the sale of several healthy companies, which generated serious interest – including the sale of a bank (Hrvatska poštanska banka d.d.) and the leading insurer (Croatia osiguranje d.d.). Furthermore, the privatisation of 13 state-owned resort complexes, including Kupari (Dubrovnik) and Pineta (Pula), one of the Brijuni Riviera locations, was announced. These sale proceedings started in 2012, and should be finalised by the end of 2013, which should help boost the economic activities in the coming year.

Furthermore, in 2012 the government tried to tackle the issue of the state-owned shipyards which are still heavily subsidised. After receiving a green light from Brussels, two of these (Brodotrogir and Brodosplit) were to be sold to Croatian investors – to our knowledge, these transactions still have not closed.

In the private sector, one of the largest deals in 2012 was the purchase of a minority stake in the oil and gas company INA d.d., where MOL and the government battled for the remaining shares held by the minority shareholders. This race resulted in the overall biggest value transaction - MOL paid app. €86m for additional shares in INA d.d.. This deal is also interesting, as the buyer was the current shareholder and it was more of a political battle between the Croatian and the Hungarian Governments than a true deal.

Another significant transaction was the €50m sale of Aluflexpack Group, one of the largest Croatian packaging companies to Montana, a Swiss aluminium company. This transaction included four factories in Croatia and the transfer of more than 400 hundred employees.

In the aluminium sector, we saw two big transactions. Part of the former aluminium giant TLM (TLM-TVP d.o.o.) was sold to Euris, an Austrian company. The second transaction involved the €25m sale of steel company CMC Sisak to the Danieli Group. Both of these transactions were pushed by the challenging economic situation.

The energy sector remains lively where both small and big deals are visible. As regards the bigger deals, an investment into a new block of the existing thermal power plant Plomin was announced and tender proceedings for a partner have already commenced. By mid-2013 the private partner should be chosen. Also, an LNG terminal is to be constructed on the coast, however, this is an older project for which the Government (previous one and current) struggled to find a suitable investor. If this LNG terminal were to begin operating, several other gas-dependent projects would become possible like a gas power plant for which there is serious interest.

Our expectations for 2013 are the completion of the announced privatisation processes (Hrvatska poštanska banka d.d. and Croatia osiguranje d.d.) as well as the final sale of the state-owned shipyards. These transactions should keep the M&A market moving. From the private sector, we do not see immediate signs of a recovery, and would again expect to see deals where sellers are forced to sell rather than buyers generating interest. The energy sector should be an exception to this trend, as it was in 2012.

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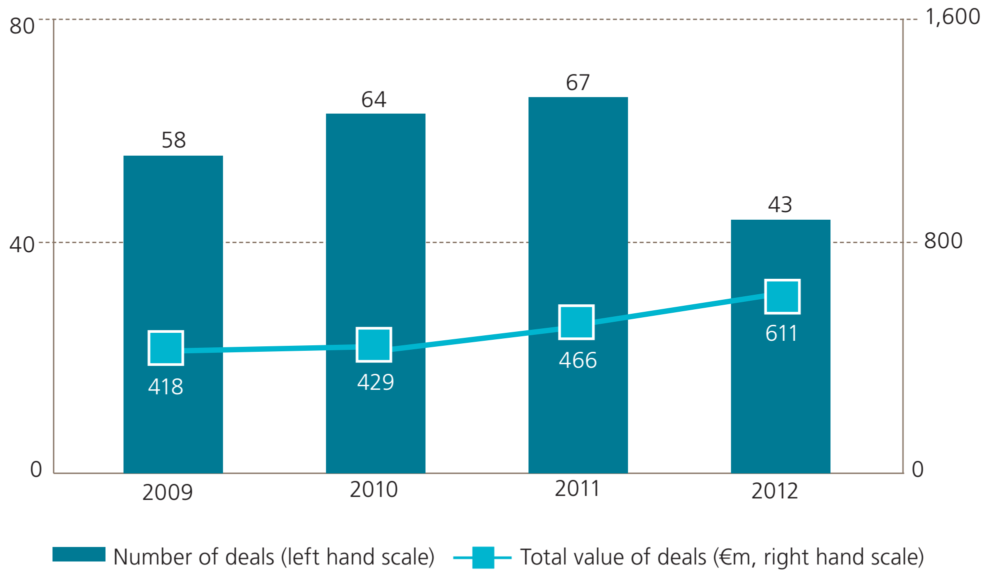
The Croatian M&A Market

Deals by Value and Volume in Croatia (2009-2012)



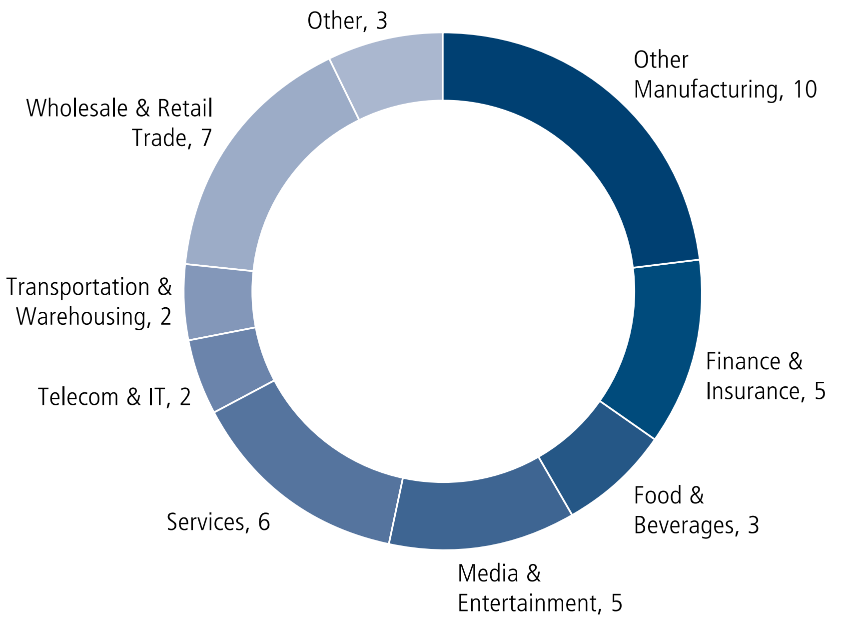
Top 10 Deals in Croatia (2012)

Target Company	Sector	Deal Type	Buyer	Country of Buyer	Deal Value (€m)
INA	Mining (incl. oil & gas)	Minority Stake Purchase (1.6%)	Magyar Olaj- Es Gazipari Nyrt.	Hungary	86
Aluflexpack	Other Manufacturing	Acquisition (100%)	Montana Tech Components AG	Switzerland	50
CMC Sisak	Other Manufacturing	Acquisition (100%)	Danieli Group	Italy	25
Centar Banka	Finance & Insurance	Acquisition (50%)	Alternative Private Equity d.o.o.; Croatian Bank for Reconstruction and Development (HBOR)	Croatia	13
Ingra	Construction	Acquisition (100%)	Duro Dakovic Holding	Croatia	11
Institut IGH	Services	Minority Stake Purchase (39.97%)	IGH-ESOP d.o.o.; Veniamin Mezhibovskiy - private investor; ZM-Montag d.o.o.; Zagreb Montaza d.o.o.	Croatia; Russia	11
Westgate shopping centre in Zaprešić	Services	Minority Stake Purchase (n.a. %)	Birgit Pfeiffer Plus-City Beteiligungsgesellschaft m.b.H.; Ernst Kirchmayr - private investor	Austria	10
Požgaj grupa	Other Manufacturing	Minority Stake Purchase (n.a. %)	Nexus Private Equity Partners	Croatia	5
Valvita	Food & Beverages	Acquisition (100%)	Hrvatska Poštanska Banka	Croatia	5
Luka Šibenik	Transportation & Warehousing	Acquisition (50%)	Petrokemija	Croatia	3

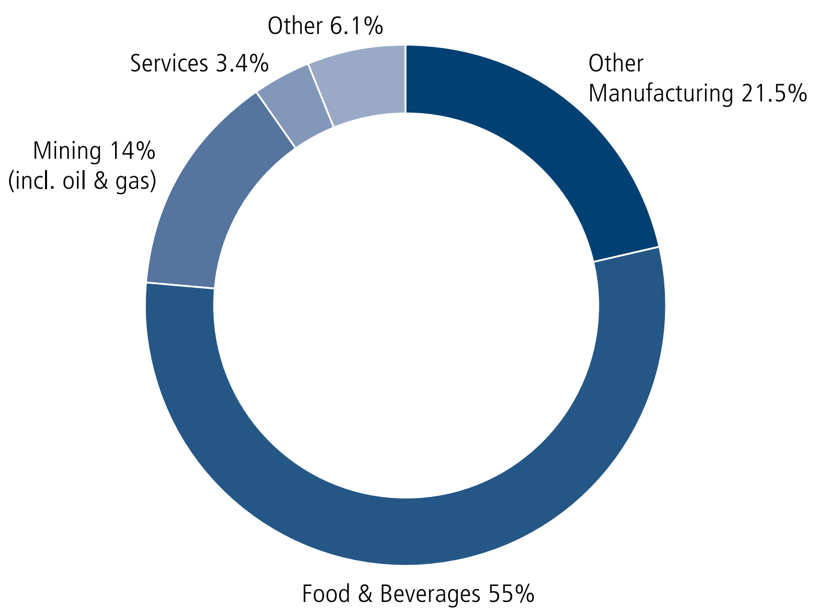
Deal values may be either official, market estimates or DealWatch estimates.

Deals by Sector in Croatia (2012)

Number of Deals by Sector in Croatia (2012)



Share of Sector in Total Value of Deals in Croatia (2012)



Czech Republic

2012 saw the M&A market in the Czech Republic contract for the third consecutive year. According to DealWatch data, the transaction volume throughout the year was down by almost 40% compared to 2009, and the value of deals in 2012 represented only about a third of what was achieved in 2009.

A major characteristic of the market this year was the number of expected transactions that did not materialise, such as the privatisation of national airline carrier ČSA, the sale of OMV fuel stations, the sale of the gas transmission network Net4Gas and the attempt by Agrofert to buy United Bakeries. It is telling that the most notable deal in the market was the distressed sale of betting and lottery company Sazka by financial investors PPF and KKCG and the subsequent sale by PPF of its 50% stake, making KKCG the sole owner.

However, there is a silver lining to the gloom that enveloped the Czech market in 2012: a number of large regional deals were completed throughout the year, such as the €2.65bn acquisition of Starbev by Canadian brewers Molson Coors, the acquisition by US insurer MetLife of certain CEE assets from Aviva, Mondi's purchase of some of Duropack's operations and MIH Allegro's acquisition of a 80% stake in e-retailing company Netretail from MCI Management and Intel Capital. Each of these deals had large Czech elements.

Moreover, the Czech lifescience and pharmaceutical sector had a particularly buoyant year, with Penta's €85m acquisition of drug distributor Gehe Pharma Praha and pharmacy chain Lekarny Lloyds from Celesio being one of the top deals in the market. When coupled with Penta's sale of Alpha Medical, a leading laboratory diagnostics provider in Slovakia and the Czech Republic, to Mid Europa Partners for an undisclosed amount, the strength of the lifescience sector is apparent. Other private equity investment in the sector included Mid Europa Partners' acquisition of a 50% stake in Czech-based Walmark, the largest independent producer of vitamins, minerals and dietary supplements in Central and Eastern Europe, and Moonray Healthcare's acquisition of LEXUM, the Czech Republic based ophthalmology clinic operator, from Arx Equity Partners.

Although Czech financial investors and local entrepreneurs still account for a large share of the country's deals, both in terms of the number and value of transactions, 2012 saw an increase in companies looking outside of the Czech Republic in their search for businesses to acquire. Penta, Babiš' Agrofert and Komárek's KKCG have been looking across the border, and to Germany, in particular, in order to make new investments. However, despite Czech companies investing outside the national borders, the flow of investments was certainly not one way in 2012. Despite strong competition from local players for attractive local targets, foreign investment in the Czech Republic was present throughout 2012. Some of the highest value deals included Gazprombank's purchase of Eriell Corporation (the Czech Republic based company engaged in provision of drill and well overhaul services) and Raisio Group's acquisition of Candy Plus Sweet Factory (the Czech Republic based manufacturer and distributor of confectionery items). Foreign investments of which the value was undisclosed included the acquisition by Budapest-listed oil & gas company MOL of Pap Oil and Bohemia Realty Company (the Czech Republic based owner and operator of a network of 124 petrol stations) and German retail group REWE's acquisition of a 51% stake in Exim Tours (the Czech Republic based travel agency) from TUI Travel.

Although, overall, the property market is still in a slump, real estate deals remained strong performers in the DealWatch M&A tables – representing five of the top ten transactions. Two of the most active local players in the Czech real estate market, Czech Property Investments (CPI) and commercial property developer CTP, both took a spot in the top ten of the M&A deals table.

Although many of the country's business leaders remain pessimistic about the market in 2013, and this will likely dictate the overall activity throughout the year, some sectors are expected to buck this trend. The energy sector, in particular, is expected to see high levels of transactions. Alpiq, the listed Swiss energy group, is reported to be examining the possible divestment of the coal-fired power plant in Kladno and its heating plant in Zlin, while Czech energy group ČEZ has been forced by the European Commission to sell off one of its coal-fired power plants with the 800 MW plant in Detmarovice being the most likely option. Furthermore, German utility giant RWE announced in 2011 its intention to sell its Czech gas transmission operator Net4Gas, for which bids are now due in Q1 2013. Likely bidders for the acquisition, which is valued at €1.4 to 2bn include the Czech industrial holding EPH, Czech financial group KKCG, Global Infrastructure Partners, Macquarie and Allianz, which is rumoured to be bidding together with Borealis Infrastructure.

2013 will also see the national airline ČSA put up for privatisation once more, with Korean Air and Qatar Airlines considered the most likely suitors. Other possible deals are also being reported; Generali, the listed Italian insurer, is reported to be in negotiations with Czech financial group PPF over a put option in their insurance joint venture Generali PPF with an option for Generali to purchase a part of PPF's 49% stake in the near future. Further M&A activity could be generated through Penta, which has announced its intention to reduce the number of its portfolio companies by half.

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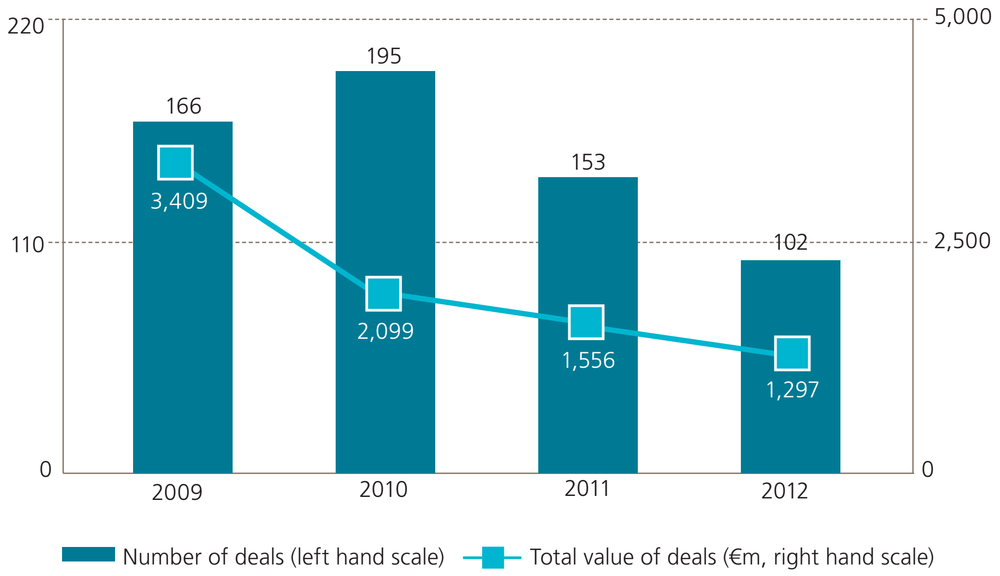
The Czech M&A Market

Deals by Value and Volume in the Czech Republic (2009-2012)



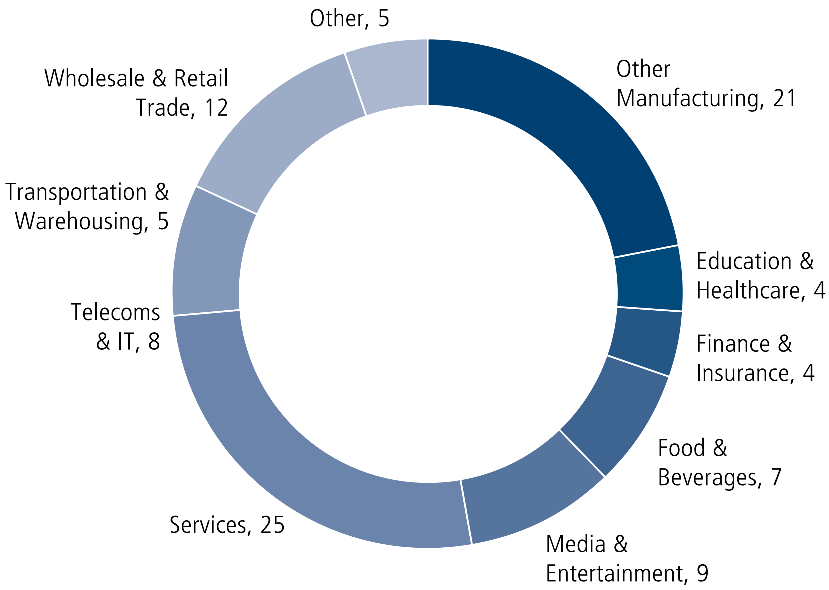
Top 10 Deals in the Czech Republic (2012)

Target Company	Sector	Deal Type	Buyer	Country of Buyer	Deal Value (€m)
Sazka sazkova kancelar, a.s.	Media & Entertainment	Acquisition (50%)	KKCG, a.s.	Czech Republic	139
Eriell Group International Ltd	Mining (incl. oil & gas)	Minority Stake Purchase (46%)	Gazprombank	Russia	94
Lekarny Lloyds s.r.o.; Gehe Pharma Praha, spol. s r.o.	Wholesale & Retail Trade	Acquisition (100%)	Penta Investments, s. r. o.	Czech Republic	85
Radio Free Europe/ Hagibor Office Building	Services	Acquisition (100%)	L88	United States	73
City Green Court	Services	Acquisition (100%)	Deka Immobilien Investment GmbH	Germany	54
PSJ, a.s.	Construction	Acquisition (50%)	Company managers	n.a.	40
VT Holding, a.s.	Services	Acquisition (50%)	Czech Property Investments, a.s.	Czech Republic	35
WDP CZ, s.r.o.	Services	Acquisition (100%)	CTP Invest, spol. s r.o.	Czech Republic	25
Třinecké železárny, a.s.	Other Manufacturing	Minority Stake Purchase (11%)	Moravia Steel, a.s.	Czech Republic	23
Candy Plus, a.s.	Food & Beverages	Acquisition (100%)	Raisio Group	Finland	21

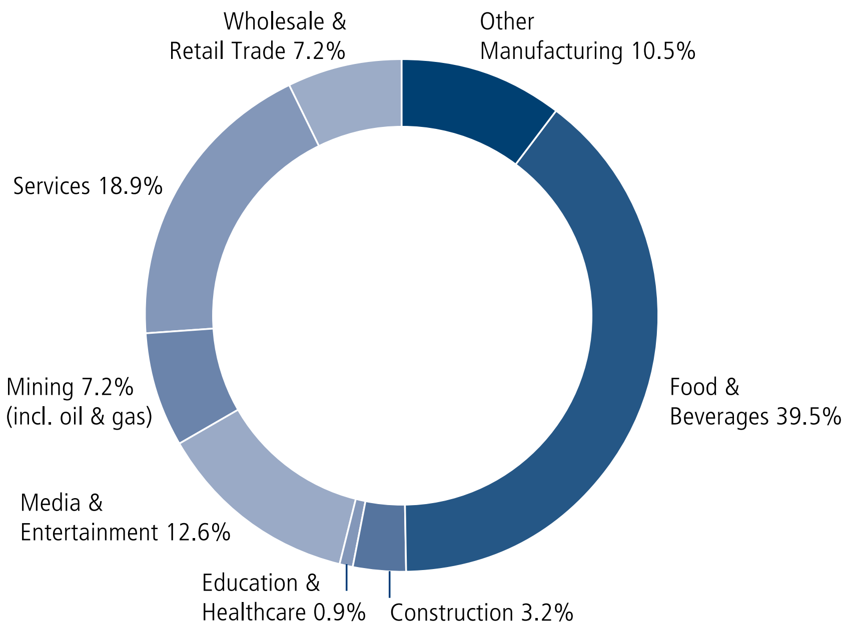
Deal values may be either official, market estimates or DealWatch estimates.

Deals by Sector in the Czech Republic (2012)

Number of Deals by Sector in the Czech Republic (2012)



Share of Sector in Total Value of Deals in the Czech Republic (2012)



Hungary

The Hungarian M&A market has been quite slow over the past few years, and 2012 did not bring any major changes. In fact, due to the Hungarian and European economic problems, 2012 was worse than 2011 from the M&A perspective. The number and value of deals decreased and the general consensus seems to be that a more foreseeable economic and legal environment, as well as a stronger macroeconomic base are needed for improvement.

The deal value was confidential in many Hungarian transactions in 2012, but it is fair to say that high-value transactions were very rare this year. The only deal with a disclosed transaction value exceeding €100m was the minority stake purchase in Richter Gedeon Nyrt. (a pharmaceutical company) by Aberdeen Asset Management.

The number of medium sized deals also decreased, but that was still an important part of the M&A playing field. Medium sized deals with a disclosed purchase price included the acquisition of the Le Meridien Budapest Hotel by the Al Habtoor Group (€62m). Another important two transactions were the strategic exit of Daily Mail from various job and car portals in the region, including Hungary, with an aggregate transaction value of €32m, the sale of its Hungarian printing assets yet to come in 2013. In addition to acting on the Daily Mail deal, CMS also advised on other medium sized transactions with non-disclosed deal values such as the purchase of the Hungarian, Romanian and Czech Aviva life insurance businesses by MetLife and the acquisition by UPC of RubiCom, the 5th largest cable service provider in Hungary.

Similarly to 2011 and as we predicted last year, the Hungarian Government through its various companies (and the Municipality of Budapest) was the most active player in the Hungarian M&A market, completing four of the ten largest transactions (with disclosed value) of the year. Such transactions included the acquisition of Pro-M Zrt. for €71m and the purchase of a minority stake in the Budapest Water Works for €42m. The Hungarian Government also acquired a 38% stake in a bank, Takarékbank. Of course, these transactions were not driven by market opportunities but by general economic and political considerations, so they may not be perceived as a sign of recovery in the M&A market. The Hungarian Government is, nevertheless, expected to continue to be an active player in the Hungarian M&A market as a strong political intent remains to increase the state's presence in certain sectors, such as energy and banking and preliminary announcements have already been made with respect to significant planned M&A transactions by the Hungarian Government.

Another interesting feature of the Hungarian market is that the Jeremie venture capital funds remain active and new funds are to be launched soon. Though the value of these transactions is generally too small to attract global actors, the companies receiving the investments are slowly progressing to the next stage where they might attract small to medium sized second round investments.

The Budapest Stock Exchange has failed to attract companies for listing in recent years, and it appears that this will remain the trend for the foreseeable future. Moreover, E-Star which was considered to be a promising Hungarian company listed a couple of years ago, declared bankruptcy at the end of 2012, which might have an adverse effect on potential future listings.

As in previous years, the largest transactions were completed by foreign investors (and the Hungarian Government), while domestic buyers appeared in smaller transactions. Large Hungarian companies will continue, however, to be active in acquiring (or selling) other businesses in the region (e.g. banks and real estate developers).

The M&A market cannot move independently from the general economic environment. The fact that the economy of Europe and the Eurozone is fairly unstable and Hungary is still fighting to achieve stability is enough in itself to hold back investments in Hungary. Nevertheless, in 2013 Hungary stands a good chance of restoring its financial stability, and business in Europe is predicted to slowly pick up, which may put Hungary back on investors' maps in the near future. Hopes are high for certain sectors to remain active over the coming year, including energy, technology, media & telecommunications and financial services.

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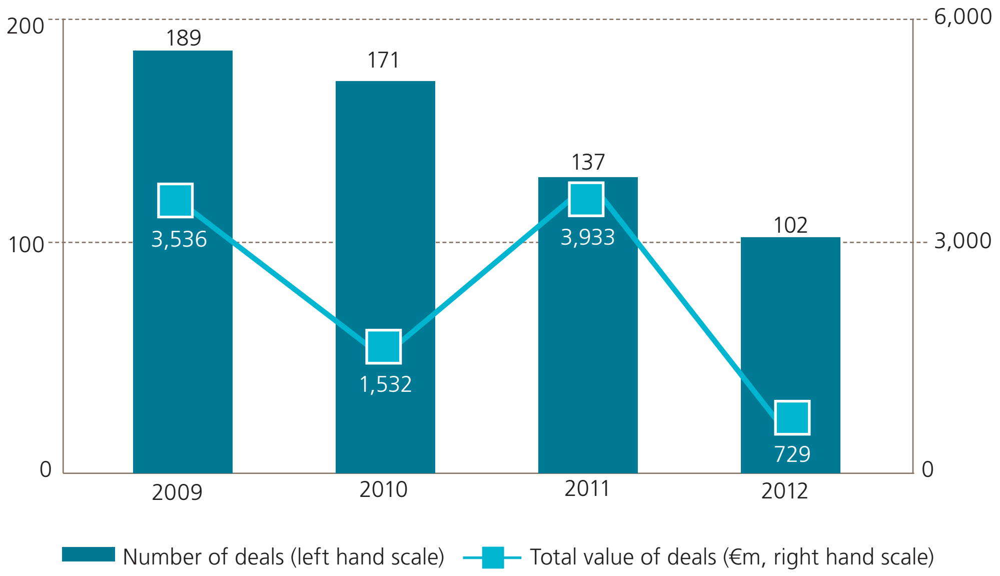
The Hungarian M&A Market

Deals by Value and Volume in Hungary (2009-2012)



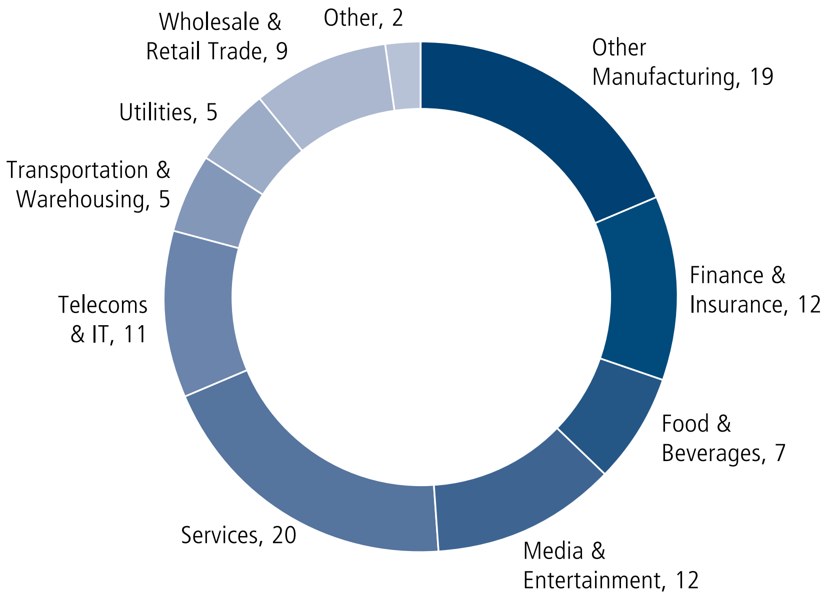
Top 15 Deals in Hungary (2012)

Target Company	Sector	Deal Type	Buyer	Country of Buyer	Deal Value (€m)
Richter Gedeon Nyrt.	Other Manufacturing	Minority Stake Purchase (4.8%)	Aberdeen Asset Management	United Kingdom	104
Pro-M Zrt.	Media & Entertainment	Acquisition (100%)	National Infocommunications Service Company Limited	Hungary	71
Le Méridien Budapest Hotel	Services	Acquisition (100%)	Al Habtoor Group	UAE	62
Fővárosi Vízművek Zrt.	Utilities	Minority Stake Purchase (25%)	Municipality of Budapest	Hungary	42
Ablon Group	Construction	Minority Stake Purchase (30%)	Czech Property Investments as	Czech Republic	30
Hundec Kft.	Other Manufacturing	Acquisition (100%)	Well-Tech	China	21
Egis	Other Manufacturing	Minority Stake Purchase (4.8%)	n.a.	n.a.	17
5.8MW wind energy farms	Utilities	Acquisition (100%)	Alteo Energiaszolgaltato	Hungary	10
Nanoform Hungary Ltd.	Services	Acquisition (n.a. %)	Undisclosed US venture capital investor	United States	8
Magyar Gáz Tranzit	Transportation & Warehousing	Acquisition (50%)	MFB Invest	Hungary	7
Resti Kereskedelmi Zrt.	Services	Acquisition (85.9%)	MAV Magyar Államvasutak Zrt	Hungary	7
Nk Services (Magyarorszag) Kft.; Wiera Kft.; Gpscom Kft.; Adatvilág	Wholesale & Retail Trade	Acquisition (n.a.%)	Synergon Informatikai Nyrt.	Hungary	7
Cryo Cégcsoport	Services	Acquisition (100%)	Vitrolife AB	Sweden	5
55,000 sqm pharmaceutical manufacturing site in Budapest	Other Manufacturing	Acquisition (100%)	Euroventures Capital ; Marton Szoke - private investor	Hungary	4
Sony production plant in Godollo	Other Manufacturing	Acquisition (100%)	HERMES Altalanos Fogyasztasi es Ertekesito Szovetkezet	Hungary	4

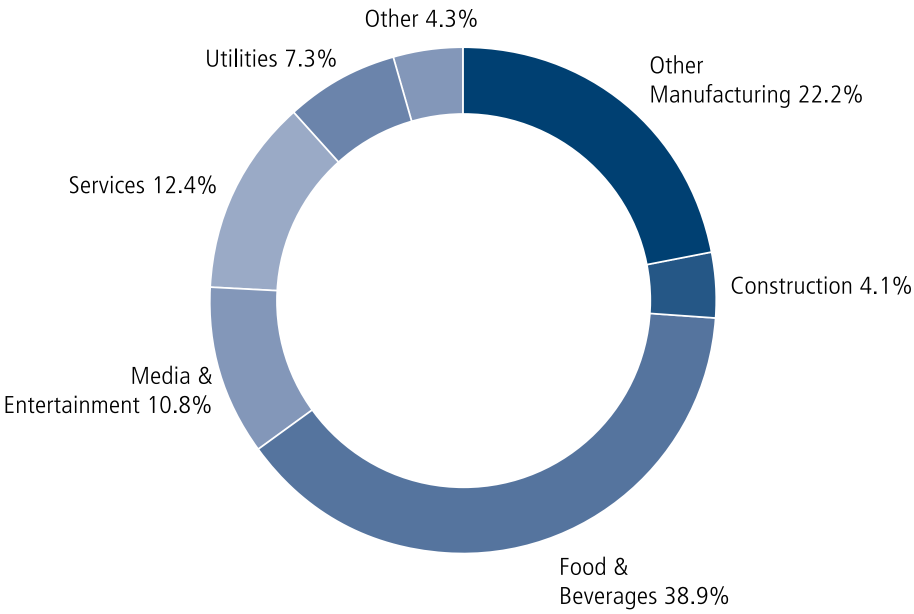
Deal values may be either official, market estimates or DealWatch estimates.

Deals by Sector in Hungary (2012)

Number of Deals by Sector in Hungary (2012)



Share of Sector in Total Value of Deals in Hungary (2012)



Poland

In 2012 we observed a significant slowdown in the M&A market throughout the CEE region. Nevertheless, Poland remained among the region's leading countries for M&A.

The past year saw a number of high-profile transactions mainly from the financial sector, such as the acquisition of Kredyt Bank by Santander and TUiR Warta by Talanx. Nevertheless, compared to a record-breaking 2011, the value and volume of transactions in 2012 was significantly lower and Poland did not attract as many leading global funds. It must be noted, however, that regional private equity funds were still active and that the M&A market observed a reasonable number of deals, including by Abris Capital, Enterprise Investors, Mid Europa Partners, Advent, Innova Capital, Value4Capital and MCI Management. The largest private equity transaction in Poland in 2012 and the largest private equity exit in Poland since Mid Europa's sale of Aster in 2010, was the sale of LuxMed, the leading provider of healthcare services in Poland to Bupa, which signed just before Christmas. The transaction, which is expected to close in the first half of 2013, values the company at €400m (PLN 1,625m).

The most active sectors were financial and services, retail and FMCG. Last year's deals show that consolidation trends are continuing. What is more, private equity funds tend to be very strongly focused on collecting assets within specific chosen sectors and adjusted their portfolios accordingly.

There was still relatively strong competition between buyers for some of the assets in "hot" sectors such as retail, healthcare and TMT. Most probably this was due to the limited targets on offer, as the characteristic feature of the Polish M&A market for medium and large enterprises was that the holders of controlling stakes postponed sales of their assets due to unsatisfactory valuations. As a result, buyers struggled to identify enough good quality targets available for sale.

2013 will be an interesting year in the field of M&A in Poland. This is due to the privatisation plans of the Polish government as well as consolidation trends in certain sectors. One can also expect that some large international and Polish capital groups will sell some of their assets as part of their global restructuring.

It is worth mentioning that besides privatisation, which should gain full momentum in the coming months, the Ministry of State Treasury will also push on further restructurings of capital groups where it has a stake. This may result in possible sale offers in the first half of 2013.

As far as sectors are concerned, special attention needs to be drawn to TMT. 2011 was a record year in terms of the number and value of acquisitions in this sector. But the period of stagnation since 2011, during which a tender for the purchase of TK Telekom was not finalised and a tender concerning Multimedia ended unsuccessfully, combined with aggressive price competition among telecommunications operators, should lead to further consolidation, in particular in the field of cable TV operators. 2013 may also bring long awaited changes concerning mobile and fixed-line operators.

The media market also has some consolidation potential, both in the area of traditional media (some companies gained new potential due to the launch of digital terrestrial television), as well as among internet-based media.

In 2013, investors will continue to look at the Polish healthcare sector. Bupa’s purchase of Lux Med, signed at the end of 2012, has given a signal for other investors to follow.

Other interesting areas of investment will be the renewable energy, retail and chemical sectors, provided that the proposed transformation of Grupa Ciech takes place. We expect some transactional activity in the leisure sector (health resort chains, spas), but it seems that this process may continue over the next 2-3 years.

Finally, although the Polish economy will still grow in 2013, the restructuring of some companies is inevitable (for example Polskie Linie Lotnicze LOT). In addition, restructuring may be forced by international capital groups wanting to focus their activity in their key geographic areas (a good example being the decision by Vattenfall to sell its Polish business in 2011).

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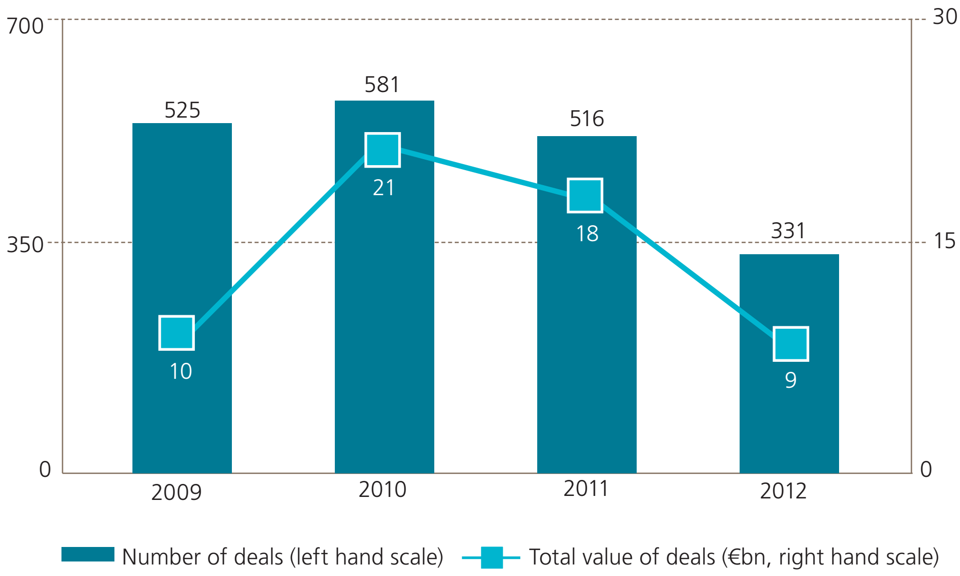
The Polish M&A Market

Deals by Value and Volume in Poland (2009-2012)



Top 20 Deals in Poland (2012)

Target Company	Sector	Deal Type	Buyer	Country of Buyer	Deal Value (€m)
Kredyt Bank S.A.	Finance & Insurance	Merger (100%)	Bank Zachodni WBK S.A.	Poland	1,019
Towarzystwo Ubezpieczeń i Reasekuracji Warta S.A.	Finance & Insurance	Acquisition (100%)	Talanx Groupd	Germany	770
Polonia Property Fund LP; Polonia Property Fund II Ltd	Finance & Insurance	Minority Stake Purchase (n.a. %)	Partners Group AG; Peakside Real Estate AG	Switzerland	600
Złote Tarasy shopping and office centre	Services	Acquisition (76.9%)	Axa Real Estate; CBRE Investors Limited	France; United States	475
Lux Med Sp. z o.o.	Education & Healthcare	Acquisition (100%)	Bupa Group	United Kingdom	401
Manufaktura shopping centre	Services	Acquisition (100%)	Union Investment Real Estate	Germany	390
Bank Gospodarki Żywnościowej S.A.	Finance & Insurance	Minority Stake Purchase (39.3%)	Rabobank International Holding BV; Rabobank Nederland	Netherlands	312
Mondi Świecie S.A.	Other Manufacturing	Minority Stake Purchase (27.2%)	Mondi	United Kingdom	234
Warsaw Financial Centre office building	Services	Acquisition (100%)	Allianz SE; Curzon Capital Partners III	Germany; United Kingdom	210
Grupa Onet.pl S.A.	Telecom & IT	Acquisition (76%)	Ringier Axel Springer Media AG	Switzerland	208
Warsaw International Business Centre	Services	Acquisition (100%)	Deka Immobilien	Germany	148
Morpol	Food & Beverages	Minority Stake Purchase (48.5%)	Marine Harvest	Norway	127
Dom Handlowy Renoma	Services	Acquisition (100%)	Griffin Group	Poland	118
Marynarska Business Park	Services	Acquisition (100%)	Heitman European Property Partners IV	United States	110
Polish Energy Partners S.A.	Utilities	Acquisition (57.8%)	Polenergia	Poland	98
ProLogis Park Warszawa I; *	Services	Acquisition (100%)	Hines Global RET	United States	98
Tarnovia shopping centre; **	Services	Acquisition (70%)	Heitman	United States	95
Alfa Centrum shopping centre in Olsztyn	Services	Acquisition (100%)	Rockspring	United Kingdom	84
Zakłady Azotowe w Tarnowie - Mościcach S.A.	Other Manufacturing	Minority Stake Purchase (12%)	Acron	Russia	83
Bank Zachodni WBK S.A.	Finance & Insurance	Minority Stake Purchase (2%)	EBRD	Global	80

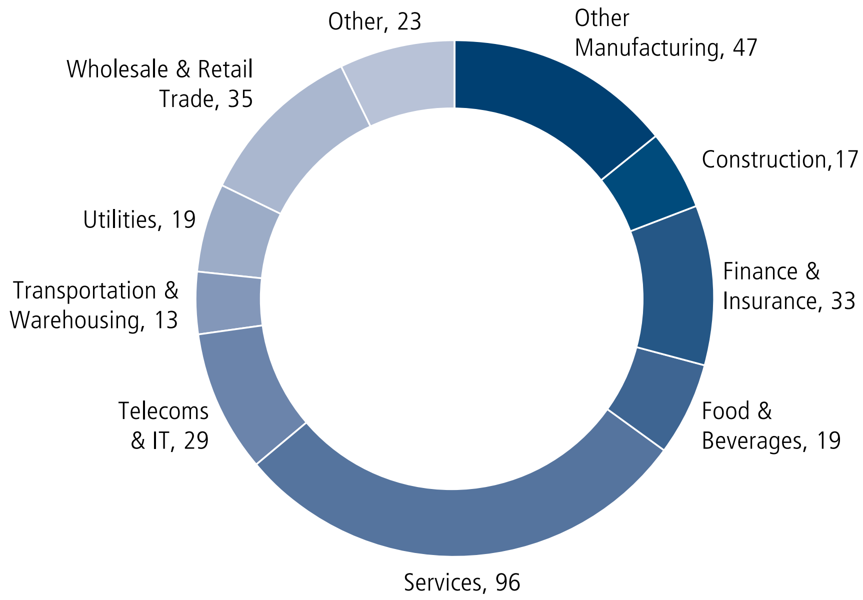
Deal values may be either official, market estimates or DealWatch estimates.

* (cont'd) ProLogis Park Warszawa III; ProLogis Park Będzin I; ProLogis Park Wrocław II

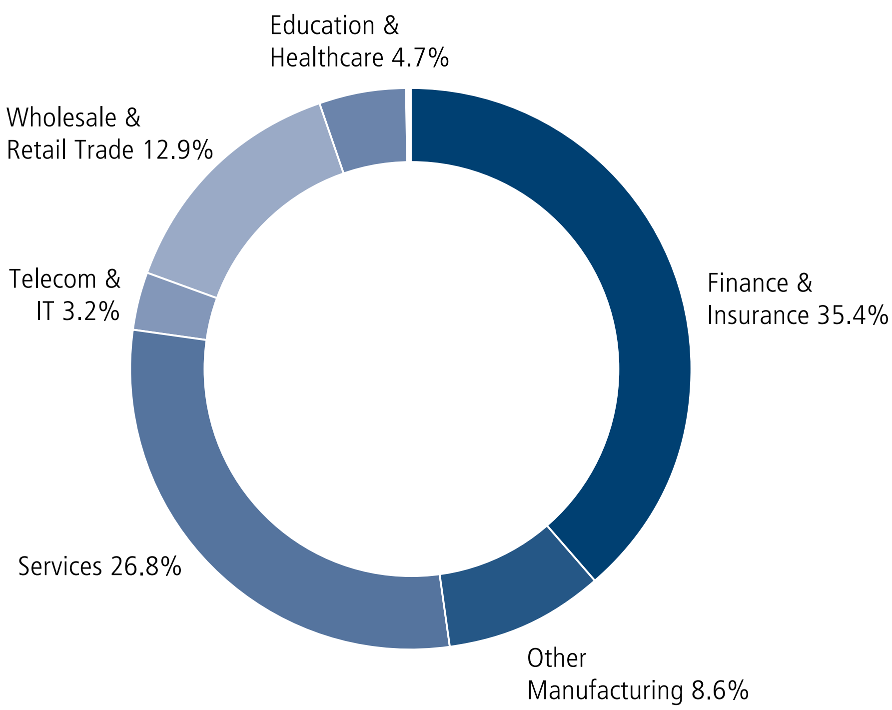
** (cont'd) Shopping centre project in Jelenia Góra

Deals by Sector in Poland (2012)

Number of Deals by Sector in Poland (2012)



Share of Sector in Total Value of Deals in Poland (2012)



Romania

Political grid-lock dampened M&A growth in 2012; modest growth envisaged for 2013.

A waiting game

In 2012, the M&A market in Romania did not make as strong a comeback as was envisaged at the beginning of the year. It was expected that the appetite for takeovers would be stronger, however (as we predicted) political uncertainty in the run-up to the end of year elections left Romania in political grid-lock and investors waiting to see how politics and in turn the economy and investment landscape, would pan-out.

That being said, there were still deals being done on the market and the year was a busy one for our M&A team. The most active sectors were Energy, TMT, Agriculture and Financial Services. The Energy sector in particular – with interest in both oil & gas and alternative energy sources – bucked the prevailing trend and generated a considerable amount of M&A activity in 2012. One of the largest deals signed in Romania in 2012 in the energy sector was the acquisition of majority and minority stakes in the EnergoBit Group, a Romanian supplier of electrical networks to the power sector, by CEE private equity fund Innova Capital, and EBRD, respectively.

Other notable deals for our team this year included MetLife's acquisition of Aviva Romania Life and Pensions and the sale of 92.4% stake in MKB Nextebank, the Romania based commercial bank, to a consortium of investors led by PineBridge Investments LLC, the US based asset management firm.

We saw a continued increase in strategic investment – not surprising given the global economic situation – just as we have seen private equity investments diminish due to the lack of debt financing. The Romanian market in 2012 was also driven by restructuring deals, as businesses adapted to new economic pressures and focused on driving revenues.

Modest growth envisaged

We are optimistic about 2013. There is a sense of relief that the new government, formed after the December general elections, is committed to the continued implementation of economic reforms under the two year IMF standby agreement of March 2011, and has a clear mandate for new standby agreements with both the IMF and EU. These agreements will continue to create a path to sustainable economic growth and give investors greater predictability about the direction in which Romania is headed.

The long-awaited privatisations of stated-owned enterprises such as post operator Posta Romana, petrochemical plant Oltchim and the CupruMin copper mine have been on the cards for some time now as part of the privatisation program agreed with the IMF and it seems as if the new government will address the pressing need to reform Romania's state-owned enterprises, either through privatisation or (major) reorganisations starting in 2013.

Broadly speaking, significant improvements to transport infrastructure in Romania this year, alongside a commitment to accessing EU funds and the introduction of new transparent state-aid schemes, should prove to encourage investment into Romania and move the market forward. Energy and Natural Resources will continue to be an important sector in the coming year, attracting strategic investment.

The most attractive sectors for acquisitions in 2013 will be Energy and Natural Resources, TMT, Infrastructure and Agriculture. There has been a recent wave of foreign investors interested in the agricultural sector in Romania and this will certainly continue in 2013. There is a great deal of growth potential for Romanian agri-business and heavy investment is needed in this area. Projects are encouraged by both EU and Romanian government subsidies available to support investments in the sector.

Restructuring and reorganisation will also continue to be a priority for many companies in 2013.
All in all, we expect to see modest growth in the M&A market in Romania, picking up momentum as the year goes on. We should however consider the development of the M&A market in Romania in the wider context of the slowing European economy. Romania continues to remain vulnerable given the strong financial ties and trade links we have with the Eurozone and the European economic situation will certainly impact the year(s) ahead.

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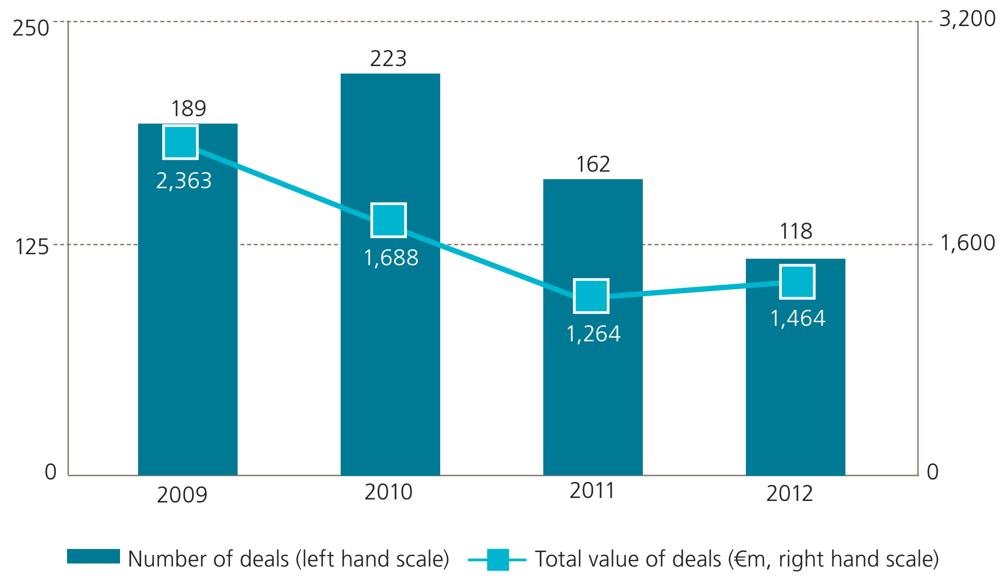
The Romanian M&A Market

Deals by Value and Volume in Romania (2009-2012)



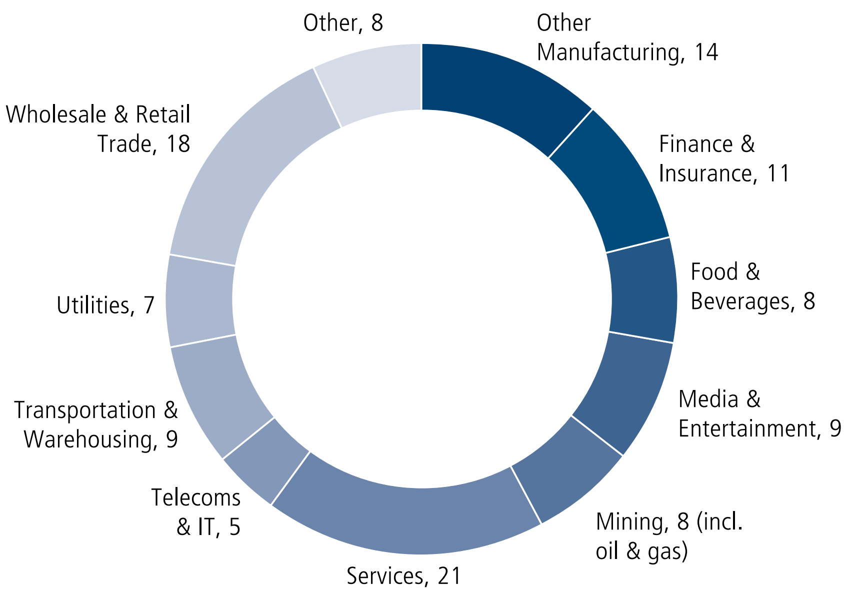
Top 10 Deals in Romania (2012)

Target Company	Sector	Deal Type	Buyer	Country of Buyer	Deal Value (€m)
Dante International	Wholesale & Retail Trade	Acquisition (70%)	Naspers	South Africa	100
Liberty Centre Mall	Services	Acquisition (100%)	Rosequeens Properties	Romania	60
Azomures	Other Manufacturing	Minority Stake Purchase (20.6%)	Ameropa	Switzerland	54
Prio Extractie	Food & Beverages	Acquisition (100%)	Bunge	United States	50
Tower Centre International	Construction	Acquisition (87%)	Dragoş Bîlteanu - private investor ; Ioannis Papalekas - private investor	Romania, Greece	48
Rombat SA	Other Manufacturing	Acquisition (99.1%)	Metair Investments	South Africa	43
Astra Vagoane Arad; Meva; Romvag	Other Manufacturing	Acquisition (100%)	Astra Rail Industries	Romania	30
Hypermarket in Retail Park Auchan	Wholesale & Retail Trade	Acquisition (100%)	Auchan Romania SA	Romania	29
Banca Romaneasca	Finance & Insurance	Minority Stake Purchase (10.2%)	National Bank of Greece	Greece	26
MKB Romexterra Bank	Finance & Insurance	Acquisition (92.4%)	PineBridge Investments	United States	25

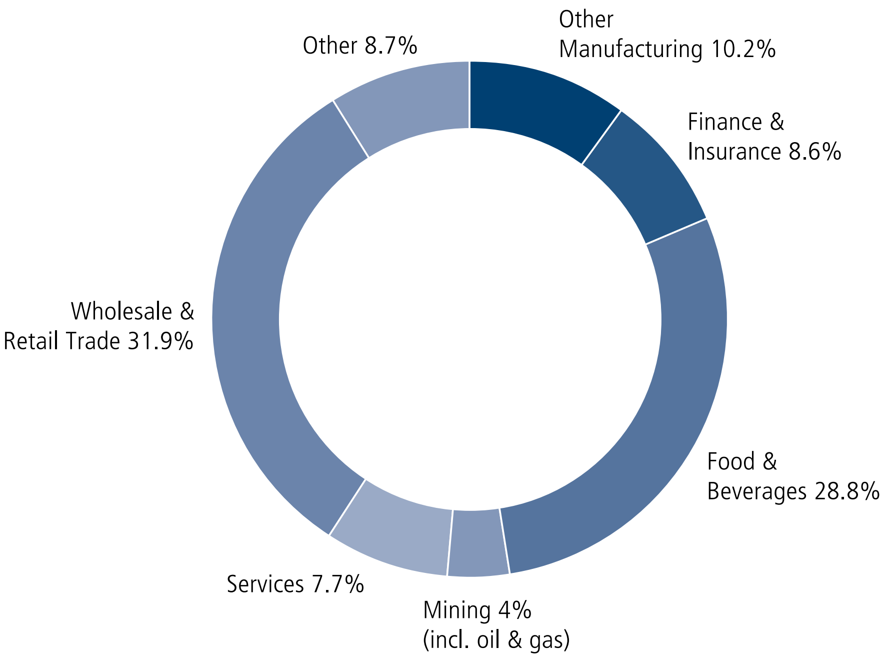
Deal values may be either official, market estimates or DealWatch estimates.

Deals by Sector in Romania (2012)

Number of Deals by Sector in Romania (2012)



Share of Sector in Total Value of Deals in Romania (2012)



Russia

In Russia it was a pretty flat year for M&A again in 2012 but this came as no particular surprise to us as activity started to fall noticeably in the second half of 2011 and there were no indicators at the time there might be any improvement around the corner.

In our annual Russian survey of investor confidence there has been a fair amount of positive thinking – predicting a better year ahead. The 2011 survey was different with a notable increase in the proportion of respondents predicting that investment activity would fall in 2012 and from the data and most conversations one has, this has been confirmed.

The odd thing about the Russian transaction market is how it is affected above all by investor confidence. In terms of so-called fundamentals, things still look better here in terms of consumer demand, low levels of consumer debt, availability of credit, government spending programs and level of GDP (relative to Western Europe) but these positive indicators do not translate into steady levels of inward investment into Russia and this is because investor confidence in Russia remains so low and is often set back by the foreign and domestic policy of the administration. Neither the federal elections in March 2012 nor the announcement of the key appointments to government posts, which at the time seemed to be the news business people were stalling over, did anything to restore confidence and these events just came and went with little or no effect on M&A activity levels. Indeed the political process further damaged the country's reputation for fairness and transparency with reports of a rigged election, a thoroughly mediaeval reaction to the unattractive antics of the pop group Pussy Riot and renewed media attention toward the Hermitage Capital/Sergey Magnitsky story following the enactment of the US Magnitsky Act. It is clear from the M&A listings that foreign investors are staying away in droves.

Privatisations also remained stalled as world capital markets remained unstable and government-backed infrastructure projects, another deal activity generator, have been much slower than anticipated although some major projects such as the Winter Olympics, the Far East summit and the 2018 Euro soccer championship are proceeding with the first two of them considerably over-budget already. As a positive sign for the future, the government has created a specialised management company and in 2013 the state proposes to invest 100 Billion rubles from the National Welfare Fund (NWF) into Russian securities, related to the realisation of infrastructure projects; although how exactly this is to be done is so far unclear. The President has announced that the funds accumulated in the NWF and the Reserve Fund together amount to

9% of GDP. The entire amount is currently invested in foreign securities but a draft law currently under consideration by the State Duma contains a budget rule that half of surpluses in the NWF above 7% of GDP can be shifted to the Reserve Fund and half spent on developing infrastructure. Such investment promises are helpful in terms of generating domestic and inward investment activity and may help to reverse or at least slow the rate of Russian capital outflow from its current level of 4.5% of GDP.

All this plays out in the data. Of the twenty largest deals, seventeen are domestic transactions and only four are full buy outs. The bulk of activity at the top end is the transfer of minority stakes in the largest companies between well-known Russian groups. As regards sectors, mining (incl. oil & gas) stands out as usual with headline deals such as BP's withdrawal from TNK-BP for a mixture of cash and shares in Rosneft – the largest transaction in Russia in 2012 by a long way. Telecoms was also dominant with Mikhail Friedman's Altimo boosting its stake in Vimpelcom by acquiring 123.6 million additional shares and raising its stake to a dominant 47.5%, generally reported as a strategic acquisition to secure control of Russia's no. 3 mobile phone operator against rival shareholder Telenor with whom it has been in long running disputes.

The only foreign acquisition in the top ten list for 2012 is Carlsberg's acquisition of 15% in Baltika but this was a buy up of the remaining shares not owned by Carlsberg, giving the Danish brewer 100% in Baltika as part of a move to fully integrate the subsidiary and de-list as part of its group strategy for improving sales – not a new investment providing any positive signs of interest in Russia as an investment destination.

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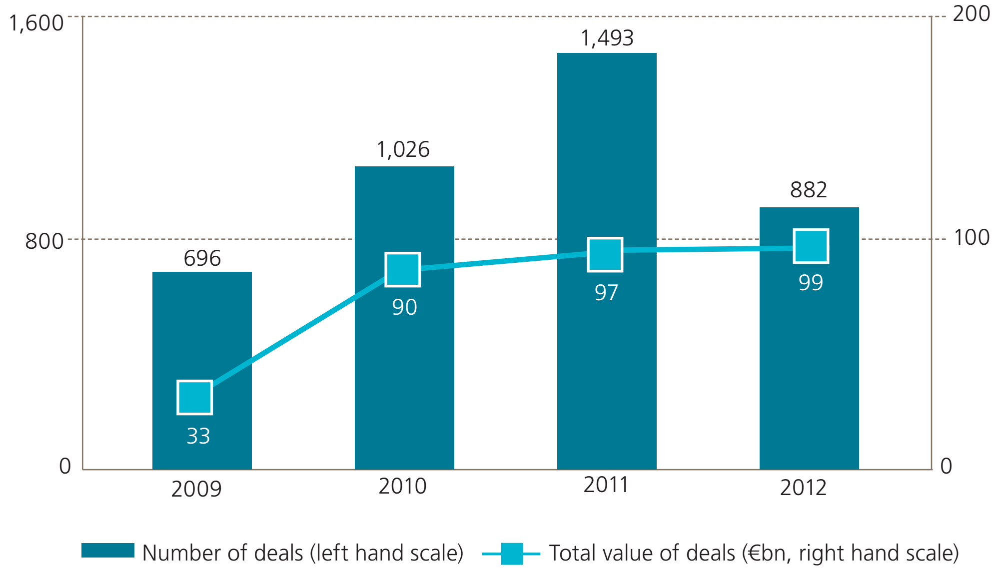
The Russian M&A Market

Deals by Value and Volume in Russia (2009-2012)



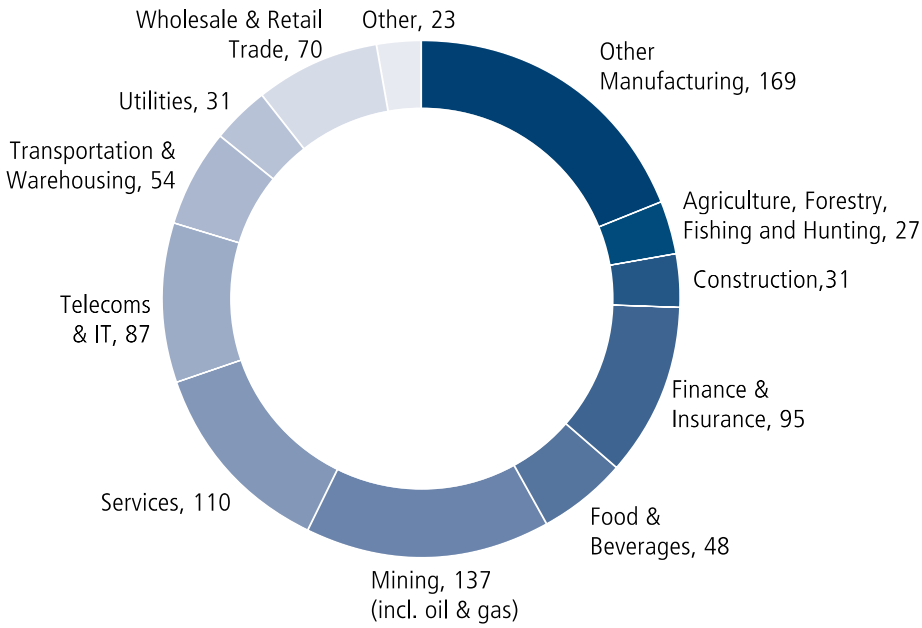
Top 20 Deals in Russia (2012)

Target Company	Sector	Deal Type	Buyer	Country of Buyer	Deal Value (€m)
TNK-BP	Mining (incl. oil & gas)	Minority Stake Purchase (50%)	Rosneft	Russia	21,538
TNK-BP	Mining (incl. oil & gas)	Minority Stake Purchase (50%)	Rosneft	Russia	21,364
Rosneft	Mining (incl. oil & gas)	Privatisation (5.7%)	BP	United Kingdom	3,721
VimpelCom	Telecom & IT	Minority Stake Purchase (14.8%)	Altimo Holding Company	Russia	2,927
MegaFon	Telecom & IT	Acquisition (18.9%)	AF Telecom Holding	Russia	2,318
Freight One	Transportation & Warehousing	Minority Stake Purchase (25%)	United Cargo Logistics Holding	Russia	1,237
Gazprombank	Finance & Insurance	Minority Stake Purchase (10.2%)	Vnesheconombank (VEB)	Russia	1,217
Norilsk Nickel	Other Manufacturing	Minority Stake Purchase (4.87%)	Millhouse Capital	Russia	1,153
Shpilman hydrocarbon field	Mining (incl. oil & gas)	Privatisation (100%)	Surgutneftegas	Russia	1,135
Oil and Gas Company Itera	Mining (incl. oil & gas)	Acquisition (51%)	Rosneft	Russia	1,072
Northgas	Mining (incl. oil & gas)	Minority Stake Purchase (49%)	Novatek	Russia	1,058
Euroset	Wholesale & Retail Trade	Minority Stake Purchase (50%)	MegaFon	Russia	1,039
Baltika Breweries	Food & Beverages	Minority Stake Purchase (15.3%)	Carlsberg	Denmark	991
Far-Eastern Shipping Company (FESCO)	Transportation & Warehousing	Acquisition (56%)	Summa Capital	Russia	902
Galeria shopping mall in St. Petersburg	Services	Acquisition (100%)	Morgan Stanley Real Estate	United States	833
Vostokneftetrans	Transportation & Warehousing	Minority Stake Purchase (49%)	Transneft	Russia	802
Urengoy Gas Company; Geotransgaz	Mining (incl. oil & gas)	Acquisition (90%)	Alrosa	Russia	780
Development business of Unikor	Construction	Acquisition (100%)	BIN Group	Russia	762
Terminal D	Transportation & Warehousing	Acquisition (100%)	International Airport Sheremetyevo	Russia	752
VSMPO-Avisma	Other Manufacturing	Acquisition (45.4%)	Gazprombank; Management of VSMPO-Avisma	Russia	746

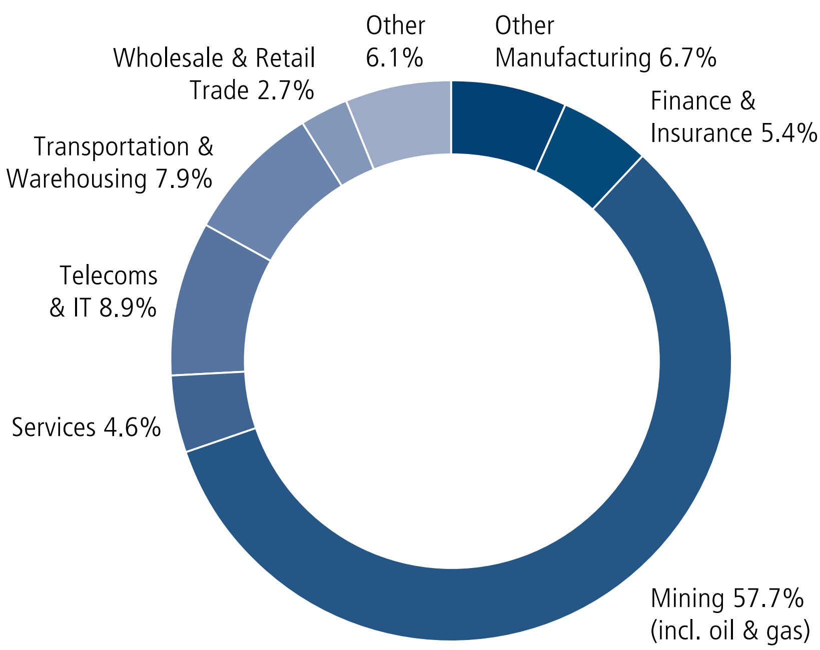
Deal values may be either official, market estimates or DealWatch estimates.

Deals by Sector in Russia (2012)

Number of Deals by Sector in Russia (2012)



Share of Sector in Total Value of Deals in Russia (2012)



Serbia

The year 2012 in Serbia was characterised by extensive participation of the Serbian government in M&A activities. Despite high expectations at the beginning of 2012 that investments in the Serbian market, primarily foreign ones, would reach almost €2bn, it is evident, even before the official reports are issued, that actual investment fell significantly short of this amount.

The main reasons for the lack of significant investment activity in Serbia are the global economic crisis and the fact that in 2012 elections were held in Serbia.

The beginning of 2012 was marked by the government's acquisition of a 100% stake in the telecommunications company Telekom Srbija (the €320m transaction was carried out through a buyback of shares from the remaining shareholder of Telekom Srbija – OTE Greece). This transaction created conditions for the privatisation of the state's only telecommunications operator. However, due to the unstable economic climate in the Eurozone and the government's assessment that the moment is not right for achieving the optimum price, the privatisation of Telekom Serbia, as well as of other state systems, did not materialise.

Other M&A transactions carried out by the state, directly or indirectly, in the course of 2012 took place in the banking sector (takeover of the assets of Nova Agrobanka by Poštanska Štedionica and increase of capital in some state-run commercial banks). However, these transactions were primarily aimed at maintaining the stability of the financial system.

Another noteworthy transaction in the banking sector was the acquisition of Austria-based Volksbank International AG by Sberbank, the largest Russian bank, which also included the acquisition of Volksbank's subsidiary in Serbia. Although an indirect acquisition, this transaction is another confirmation of the rising interest of Russian investors in the Serbian market.

Acquisitions in 2012 occurred in all dominant economic sectors, but to a significantly lesser extent compared to previous years and without the direct involvement of major players from the relevant industries. The fact that the privatisation of state-owned companies was put on hold in 2012 resulted in the majority of M&A transactions in Serbia taking place in the private sector with the dominant participation (direct or indirect) of domestic investors.

Taking into consideration the strategic plans of Serbia in upcoming years that involve intensified activities towards increasing the participation of renewable energy sources in the Serbian energy system and increasing the country's power generating capacities, as well as capital investments in infrastructure, it is expected that in 2013 investments in the energy, telecommunications and transport sectors will play a more significant role.

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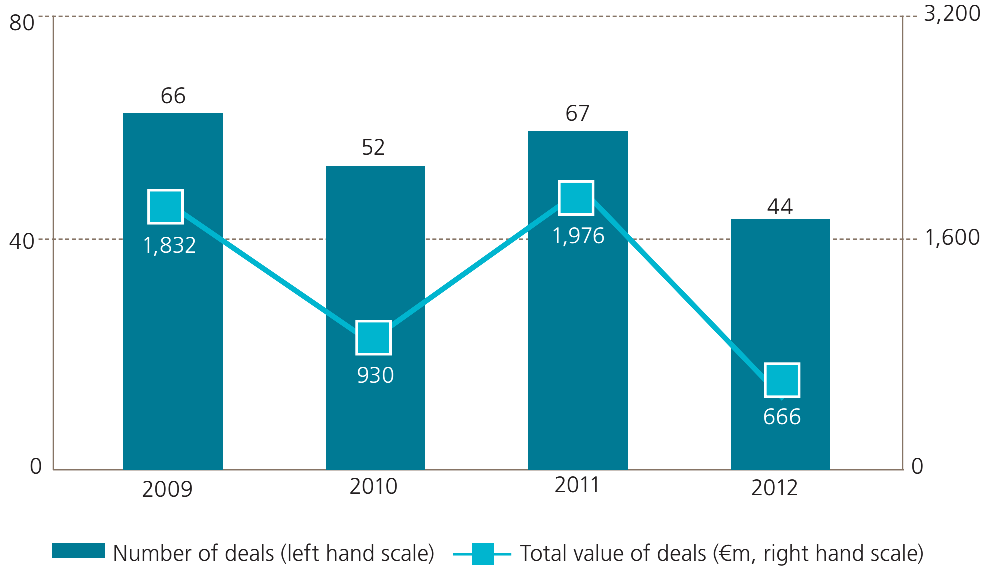
The Serbian M&A Market

Deals by Value and Volume in Serbia (2009-2012)



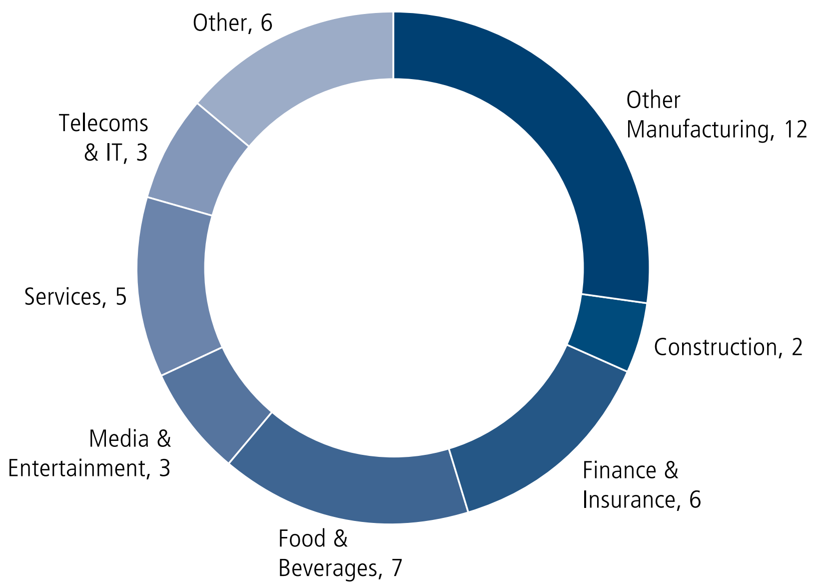
Top 10 Deals in Serbia (2012)

Target Company	Sector	Deal Type	Buyer	Country of Buyer	Deal Value (€m)
Razvojna banka Vojvodine a.d. Novi Sad	Finance & Insurance	Minority Stake Purchase (29.5%)	The Executive Council of The Autonomous Province of Vojvodina	Serbia	38
Srpska fabrika stakla a.d., Paracin	Other Manufacturing	Privatisation (63%)	Glas Industri; Rubin	Bulgaria	35
Privredna Banka Belgrade a.d.	Finance & Insurance	New share issue (50%)	Government of the Republic of Serbia	Serbia	20
Khaoticen	Media & Entertainment	Acquisition (n.a. %)	Optima Group	Russia	16
Elan hotel	Services	Acquisition (100%)	Municipality of Srbobran	Serbia	9
Wind park Plandiste	Utilities	Acquisition (50%)	Gazprom	Russia	9
IPOK	Food & Beverages	Privatisation (100%)	Almex	Serbia	8
Agrokombinat	Agriculture, Forestry, Fishing and Hunting	Privatisation (100%)	Matijevic D.O.O.	Serbia	8
Sojaprotein a.d. Becej	Food & Beverages	Minority Stake Purchase (6%)	Victoria Group	Serbia	5
Politika Novine i Magazini D.O.O.	Media & Entertainment	Acquisition (50%)	East Media Group	Russia	5

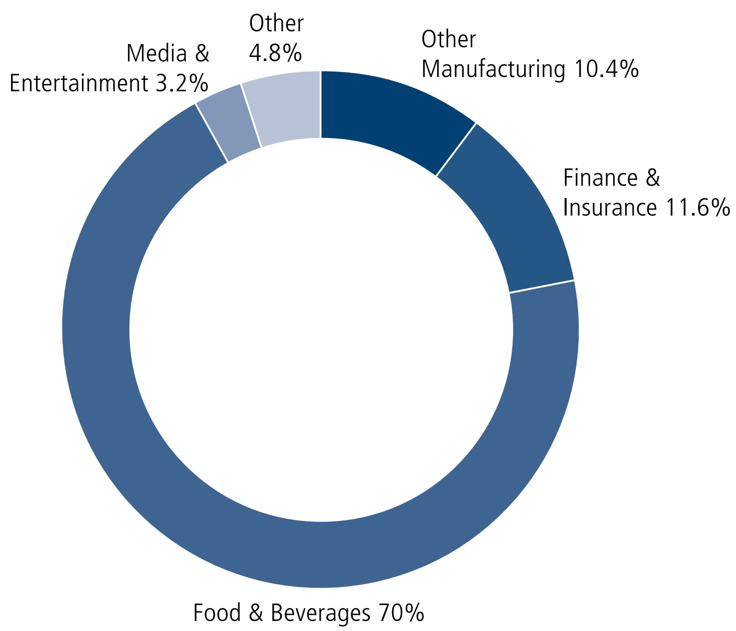
Deal values may be either official, market estimates or DealWatch estimates.

Deals by Sector in Serbia (2012)

Number of Deals by Sector in Serbia (2012)



Share of Sector in Total Value of Deals in Serbia (2012)



Slovakia

The volume of reported deals was at its lowest since 2008, but the total value of deals closed in 2012 was almost 12 times higher than in 2011, thanks to one big transaction.

Despite the low transaction activity Slovakia remains fundamentally one of the best-placed Eurozone economies over the medium term. As forecasted by Ernst & Young, growth is likely to remain below potential in 2013 because its recent model of export-led growth faces a number of challenges. Eurozone stagnation, weak domestic demand and ongoing structural problems mean that GDP growth is now forecast to remain at its 2012 rate of 2.3% in 2013. Some negative outlook is linked to the introduction of higher corporate taxes - an increase to 23% (up from 19%). This, and other special taxes on regulated companies, could negatively impact the financial prospects of Slovak companies.

The number of transactions dropped from 46 in 2011 to 38 in 2012 and the overall value increased from €235m in 2011 to €2,767m in 2012, thanks to the biggest deal noted in Slovakia in 2012 - the minority stake purchase of SPP by EPH. The majority of deals were done in Manufacturing and Telecoms & IT.

Top transactions closed in 2012 include the acquisition of the Aupark Tower by the American company Heitman European Property Partners IV (€86m); American Washington Penn Plastic's Co. acquisition of 100% shares in TK Logistics (€64m) and Asseco Poland's acquisition of over 50% of shares in Asseco Central Europe (€53m). In addition, Nova Steel Partner purchased a minority stake in PPS Group, Intech Slovakia acquired 100% of the shares in the Trebišov heating plant and 3TS Capital Partners bought a minority stake in Piano Media.

Also worth mentioning is the acquisition of Austrian Volksbank International AG (VBI) in nine countries in CEE including Slovakia by the Russian financial institution Sberbank.

Slovakia relies heavily on export (main growth in the automobile, machinery and textile industries) and its main European export partners are the stronger economies on the continent, such as Germany, Austria, Poland and the Czech Republic which have helped to maintain the export strength. The country is expected to see some recovery in domestic spending, but it is unlikely to compensate for possible losses in export orders. The Slovak government is committed to reducing the fiscal deficit from 4.8% of GDP in 2012 to 3% in 2013 which is expected to come from squeezing government consumption (expected to grow by only 1.6% in 2013).

CFOs who participated in the recent Deloitte CFO survey expect levels of M&A to remain flat or grow somewhat in 2013. 58% of the CFOs expect M&A activity to increase slightly in 2013; the remaining 42% expect little change, which is in line with the results of the previous survey. New investments and expansion into new markets are still not among the highest priorities for CFOs.

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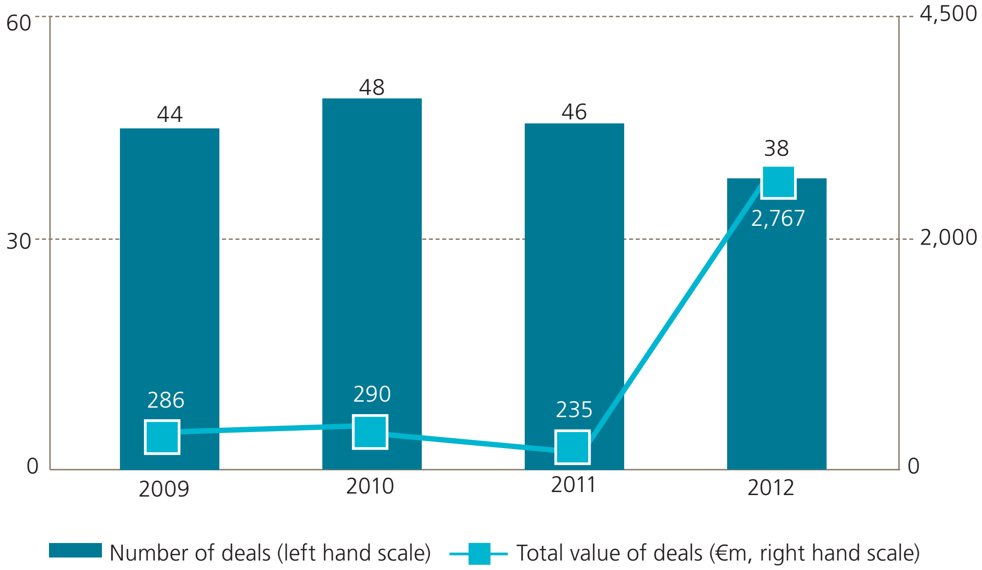
The Slovak M&A Market

Deals by Value and Volume in Slovakia (2009-2012)



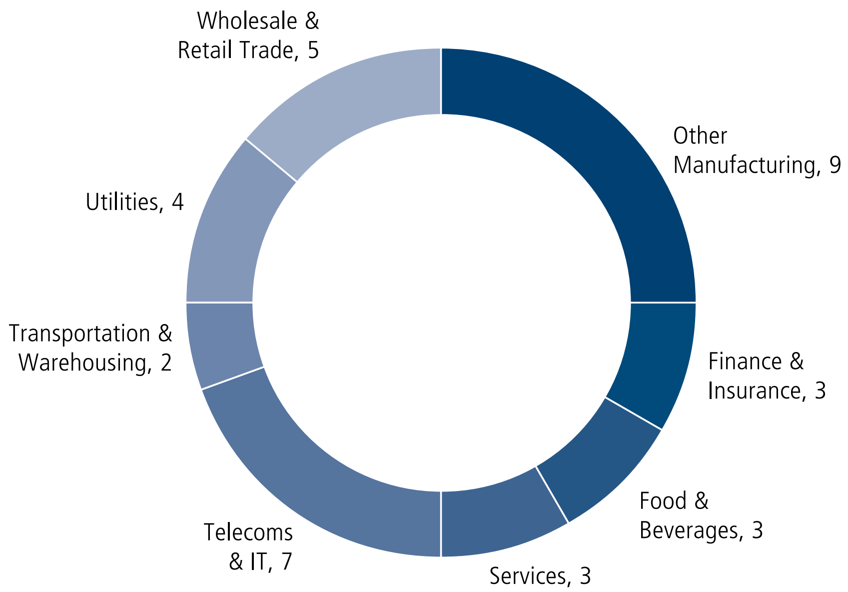
Top 5 Deals in Slovakia (2012)

Target Company	Sector	Deal Type	Buyer	Country of Buyer	Deal Value (€m)
Slovensky Plynarensky Priemysel (SPP)	Utilities	Minority Stake Purchase (49%)	Energeticky A Prumyslovy Holding as	Czech Republic	2,500
Aupark Tower	Services	Acquisition (100%)	Heitman European Property Partners IV	United States	86
TK Logistics I, s.r.o.	Other Manufacturing	Acquisition (100%)	Washington Penn Plastic Co., Inc.	United States	64
Asseco Central Europe, a.s.	Telecom & IT	Acquisition (53.4%)	Asseco Poland S.A.	Poland	53
PPS Group, a.s.	Other Manufacturing	Minority Stake Purchase (19.6%)	Nova Steel Partner, s.r.o. ; PPS Group a.s.	Slovakia	10

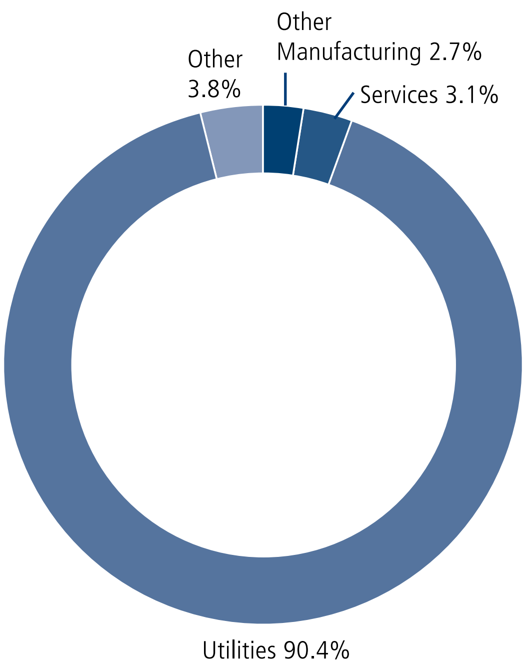
Deal values may be either official, market estimates or DealWatch estimates.

Deals by Sector in Slovakia (2012)

Number of Deals by Sector in Slovakia (2012)



Share of Sector in Total Value of Deals in Slovakia (2012)



Slovenia

2012 was not very eventful for the Slovenian M&A market.

Despite public promises of various privatisations by the Slovenian Government during and immediately after the elections in November 2011, not a single privatisation was started in 2012. On the contrary - with the purchase of a minority stake in Nova Ljubljanska banka by the state-controlled Pension Management Fund (KAD) and the Slovene Restitution Fund (SOD) - the Slovenian Government sent a different signal to international markets.

The sale of 25.1% of Splošna plovba to Peter Döhle Schiffahrtskontor-KG was actually a put option of the Pension Management Fund (KAD) and the Slovene Restitution Fund (SOD) from 2007 when Döhle acquired slightly more than 50% from the Slovenian Government and thus only a follow-up transaction.

At the end of October Lactalis, the biggest European dairy company, signed an SPA on the acquisition of 50.3% of Ljubljanske Mlekarne d.d. and is currently waiting for competition clearance, which is expected in 2013. The publicly reported price for this stake is slightly under €20m.

An analysis shows that the Slovenian M&A market in 2012 witnessed only small and very small transactions, where private owners were selling mainly to strategic investors, the exception to the rule being the acquisition of Savatech d.o.o., a manufacturer of professional equipment for environmental management, sanitary and storm sewer systems by Czech CGS a.s.

One of the reasons private sellers were much more effective in selling their holdings might be the fact that Slovenian state-controlled sellers still tend to overvalue their businesses in the light of pre-crisis economic results and that they often change their mind about the envisaged sale even in the final stages of negotiations. Furthermore, public and political pressure on the sale of so-called blue chips is very high and the reality that the value of these has dropped significantly due to the general crisis and previous mismanagement is usually too hard to swallow.

One of the few positive developments is the interest of Russian strategic investors in the Slovenian market. Just recently, Terme Maribor was acquired by Russian-held SPV Platanus d.o.o. and it is expected that the new owner of Volksbank Ljudska banka d.d. Sberbank will further promote and support Russian investments in Slovenia.

/ /

Due to the relatively quiet year 2012, the general expectation in the market is that the market will pick up in 2013. The forecast for 2013 promises an increase both in deal count as well as in the value of deals.

In December, a consortium of Mercator shareholders, representing 53% of all shares, started the 9th formal procedure of selling Mercator, the biggest Slovenian retailer (market capitalisation €431.98m). There are indications that this time the deal might actually take place as the sellers (mainly banks and Pivovarna Lasko d.d.) cannot afford not to sell their shares.

After the Constitutional Court ruled against a referendum on a law establishing a bad bank* and a new State Holding (Slovenski državni holding), it can be expected that shareholdings the banks have acquired in various Slovenian industries in the past two years due to securitisation will finally be sold upon the transfer of the underlying debt to the bad bank.

Furthermore, with the establishment of the new State Holding the Government will have another chance to fulfil its longstanding promises to start the privatisation of Slovenian banks NLB and NKBM, as well as Telekom Slovenije d.d., Petrol d.d. and Triglav d.d. While it is expected that interest in the two banks and Telekom will be rather low, there is significant interest in Petrol, the Slovenian energy holding and Triglav, one of the biggest insurance companies in SEE.

Due to the continuous economic crisis and lack of fresh (and affordable) financing, it can be expected that several corporate and financial restructurings will take place in 2013.

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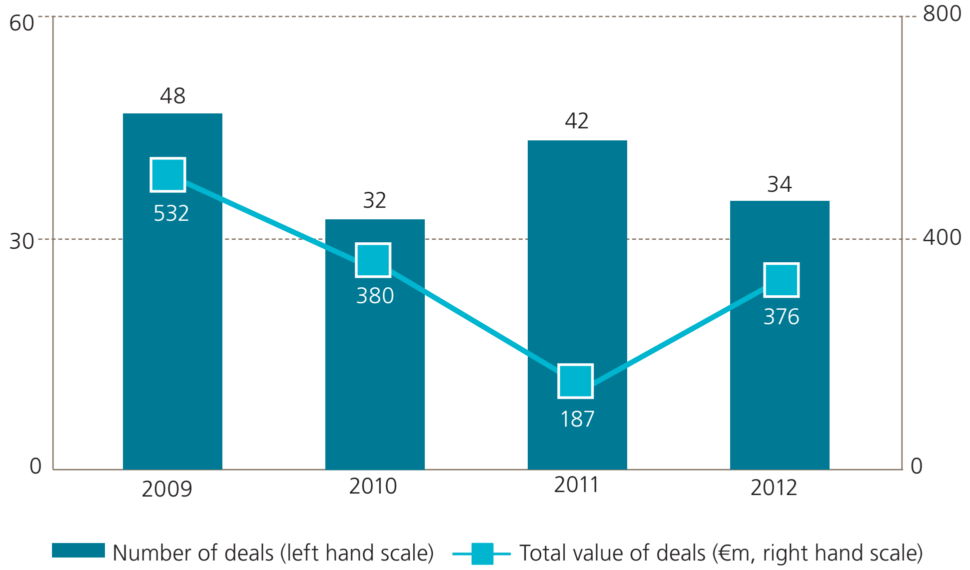
* Bad bank is a term for a financial institution created to hold non-performing assets owned by a state guaranteed bank

The Slovenian M&A Market

Deals by Value and Volume in Slovenia (2009-2012)



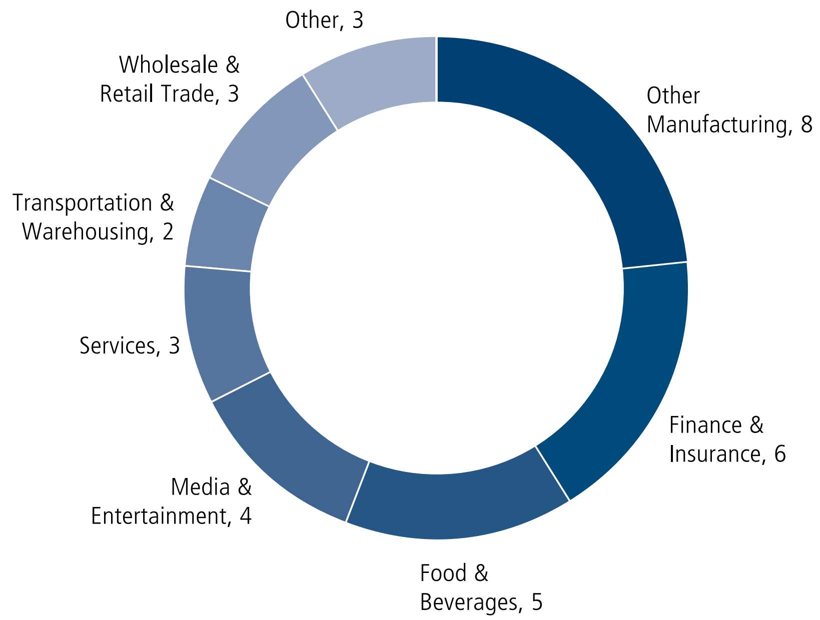
Top 10 Deals in Slovenia (2012)

Target Company	Sector	Deal Type	Buyer	Country of Buyer	Deal Value (€m)
Savatech d.o.o.	Other Manufacturing	Acquisition (100%)	CGS a.s.	Czech Republic	69
Zavarovalnica Maribor (ZM) d.d.	Finance & Insurance	Acquisition (51%)	Sava Reinsurance Company d.d.; Slovene Restitution Fund (SOD)	Slovenia	65
Nova Ljubljanska Banka (NLB)	Finance & Insurance	Minority Stake Purchase (11.9%)	Pension Management Fund (KAD); Slovene Restitution Fund (SOD)	Slovenia	61
Splošna Plovba	Transportation & Warehousing	Privatisation (25.1%)	Peter Döhle Schiffahrtskontor-KG	Germany	61
Terme Maribor	Services	Acquisition (86.6%)	Platanus d.o.o.	Slovenia	28
Ljubljanske Mlekarne	Food & Beverages	Acquisition (56%)	Lactalis Group	France	20
Etol d.d.	Food & Beverages	Acquisition (50%)	Frutarom Industries Ltd.	Israel	20
Juteks	Other Manufacturing	Acquisition (52.4%)	Beaulieu International Group	Belgium	15
Etol d.d.	Food & Beverages	Minority Stake Purchase (34.2%)	Frutarom Industries Ltd.	Israel	12
Dinos d.d.	Services	Acquisition (51%)	Scholz	Germany	12

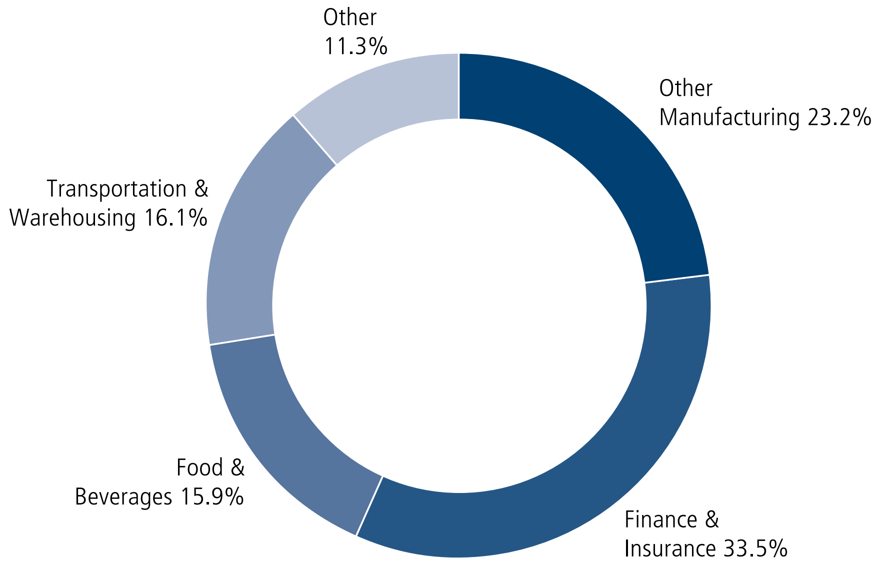
Deal values may be either official, market estimates or DealWatch estimates.

Deals by Sector in Slovenia (2012)

Number of Deals by Sector in Slovenia (2012)



Share of Sector in Total Value of Deals in Slovenia (2012)



Ukraine

2012 was a difficult year for the M&A market in Ukraine.

Whilst there was no significant change in the number of deals carried out as compared to the previous year, the total value of such deals was notably down (from €4.747m to €2.245m) and most of those deals were ‘local to local’ (i.e. involving Ukrainian buyers and Ukrainian sellers).

Some of the bigger transactions included System Capital Management’s €367m acquisition of Lemtrans, Metinvest’s €341m acquisition of a 50% stake in Industrial Group, and DTEK’s acquisitions of significant stakes in Zakhidenergo and Dniproenergo. Foreign direct investment remained relatively low however, although ENI’s acquisition of a majority stake in WestGasInvest (a company which holds subsoil rights to nine unconventional (shale) gas license areas in the Lviv Basin of Ukraine) was a noticeable exception.

Ukraine fundamentally has a healthy outlook, and with a population of 45.7m, many have labeled the country as the last major emerging country in Europe. Foreign direct investment has nevertheless remained low in recent years, and will probably remain so until the Government takes palatable and credible steps to demonstrate to the worldwide investment community that it is listening to its concerns.

That said, certain sectors are of such strategic importance to the country as a whole that the Government is actively taking steps to encourage in-bound investment. Energy and natural resources (as Ukraine attempts to reduce its dependence on gas imported from Russia) is one such sector, as is agriculture (there is ample room to improve agricultural efficiency, and the country is receiving significant international pressure to do so), and IT (as demonstrated by the Government abolishing VAT on software supply operations for all software producers in Ukraine as from 1 January 2013). We expect therefore to see continued in-bound investment in these sectors in the year ahead. Other sectors such as the banking sector will also see increased M&A activity, we suspect. But most of these transactions will likely be driven by a need to consolidate (there are simply too many banks in Ukraine), and/or by international players resolving to exit the country to focus on their core business elsewhere. This in itself should result in good expansion opportunities for those stronger banks in Ukraine (and in the region more generally, e.g. Russia) who have identified expansion as a strategic goal.

For these reasons, we foresee 2013 to be a marginally better year for M&A than in 2012 (at least at the level of big ticket deals carried out by major international or local players), but with M&A at the mid-tier level or below remaining somewhat static.

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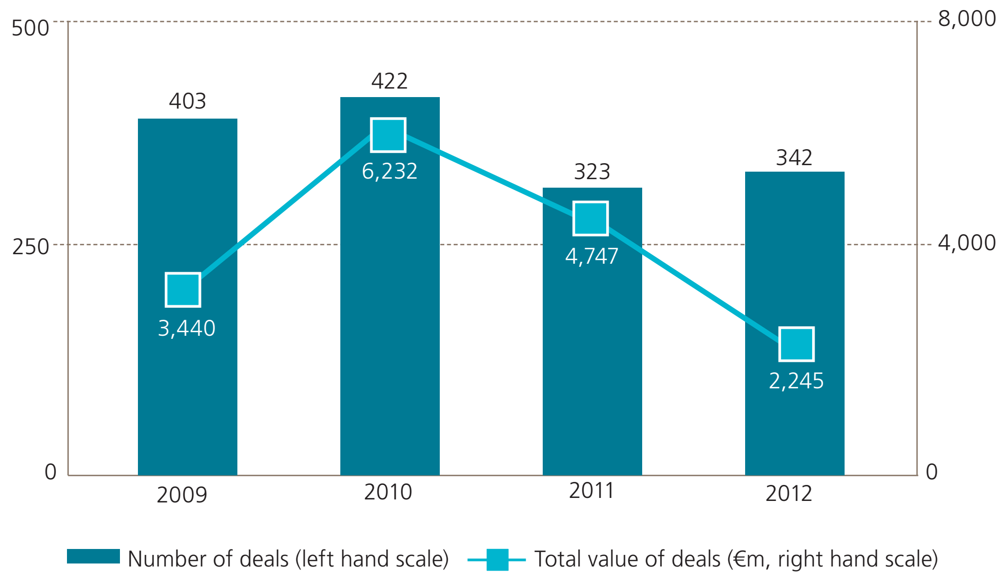
The Ukrainian M&A Market

Deals by Value and Volume in Ukraine (2009-2012)



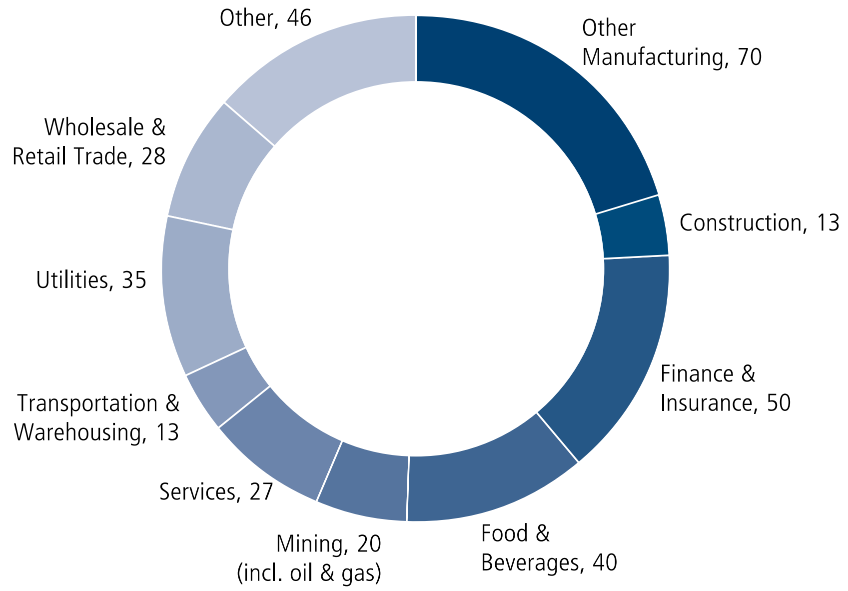
Top 10 Deals in Ukraine (2012)

Target Company	Sector	Deal Type	Buyer	Country of Buyer	Deal Value (€m)
Lemtrans	Transportation & Warehousing	Acquisition (80.1%)	System Capital Management (SCM)	Ukraine	367
Industrial Group	Other Manufacturing	Acquisition (50%)	Metinvest Holding; Undisclosed investors	Ukraine	341
Zakhidenergo	Utilities	Privatisation (45.1%)	DTEK	Ukraine	185
Dniproenergo	Utilities	Privatisation (25%)	DTEK	Ukraine	111
Zaporozhye Titanium & Magnesium Combine	Other Manufacturing	Privatisation (49%)	Group DF	Ukraine	84
Two agribusinesses in Khmelnitsky and Poltava regions	Agriculture, Forestry, Fishing and Hunting	Acquisition (100%)	Kernel Holding	Ukraine	74
Retail loan portfolio of Societe Generale in Ukraine	Finance & Insurance	Acquisition (100%)	Alfa Bank Ukraine	Ukraine	68
Ukrgazvydobutok	Mining (incl. oil & gas)	Acquisition (n.a. %)	Smart Holding	Ukraine	67
Delta Bank's mortgage and car loans portfolio in foreign currency	Finance & Insurance	Acquisition (100%)	Alfa Bank Ukraine	Ukraine	63
Dniproblenergo	Utilities	Privatisation (50%)	DTEK	Ukraine	62

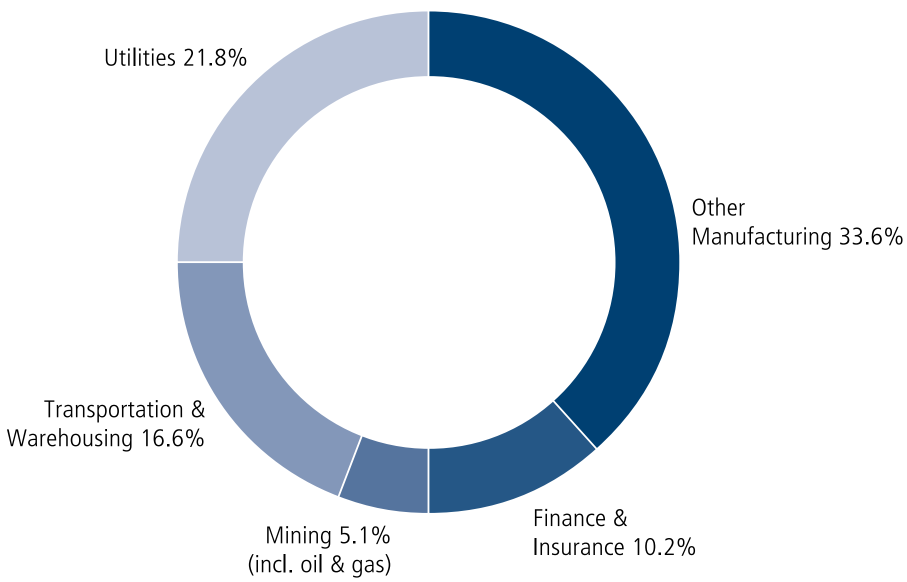
Deal values may be either official, market estimates or DealWatch estimates.

Deals by Sector in Ukraine (2012)

Number of Deals by Sector in Ukraine (2012)



Share of Sector in Total Value of Deals in Ukraine (2012)



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DealWatch is the leading provider of emerging market M&A information. It offers proprietary interviews and transaction valuations, an unrivalled deal database, forecasting tools, league tables and analyses. It gives M&A professionals tools to get to deals first, and to make better valuation decisions once they get there. DealWatch is part of the Emerging Markets Information Service (EMIS).

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The database is designed to help investors and business owners quickly identify future M&A deal and Equity Capital Market (ECM) activities, trends and opportunities in emerging markets. DealMonitor is a component of the DealWatch product, offered as a part of the company's flagship Emerging Markets Information Service (EMIS) product line.

DealMonitor, a component of the DealWatch is an exclusive database and forecasting tool designed to help investors and business owners quickly identify future M&A deal activities, trends and opportunities in emerging markets. Equipped with solid database and powerful graphical visualisations, DealMonitor presents global heat maps of the most active M&A markets, worldwide, in a clear, comprehensible manner.

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