

PRESS RELEASE

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Page 1 of 3

Subject **Emerging Europe: M&A Report 2014/15**

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Emerging Europe: M&A Report 2014/15

New CMS, AIG and EMIS DealWatch report shows slower M&A deal flow in 2014 and cautious optimism for 2015

M&A activity in emerging Europe saw a sharp 43% drop in deal values in 2014, falling from €112 billion in 2013 to €64 billion in 2014.

- The number of deals announced with a value above €1 million recorded a 14% annual decline to 2,198 transactions.
- Manufacturing was the most active sector by *number of deals*, with 364 deals representing 17% of all transactions.
- Mining (including oil & gas) was the leading sector in terms of *deal value*, at over €10 billion, accounting for nearly 17% of the overall market.
- M&A in Russia accounted for 33% of all deals in emerging Europe and 47% of the total deal value in 2014. Poland came second with a 13% share of deal numbers, closely followed by Turkey with 12%.
- Private equity funds – known for their higher risk appetite – had a relatively good year in the region as the number of PE-related deals rose by 6% to 248.

Peter Huber, Managing Partner and M&A Expert at CMS in Vienna states: ‘There are signs of market recovery across the region. We are witnessing increasing interest from global private equity players both in midsize – and often family or founder-owned – businesses across the region as well as in larger assets that are coming onto the market due to privatisation programmes or secondary sales, including various infrastructure assets. Although the levels of activity across the region still vary widely – with countries such as the Czech Republic and Slovakia showing record deal volumes – on the whole we are upbeat about the year to come.’

Radivoje Petrikić, Partner and CEE Coordinator in at CMS in Vienna adds: ‘CMS remains optimistic about deal flow in CEE in 2015. Deals that are currently in the pipeline, as well as new deals resulting from numerous restructuring projects in the region, are sure to keep us busy in the coming year.’

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Boris Maleshkov, Head of Editorial, EMIS adds: ‘Tensions between Moscow and Kiev as well as renewed speculation of Greece’s potential exit from the Eurozone will be a drag on regional M&A activity in 2015. However, we believe that large transactions in Poland, especially in the energy and banking sectors, and the ambitious privatisation programmes launched by the governments in Turkey and Romania, will bring some relief to regional market players.’

Angus Marshall, AIG comments: ‘We are observing that W&I insurance is becoming an increasingly regular feature of the M&A landscape in the region and noted a record number of policies being issued in 2014, especially for property transactions. We anticipate demand for W&I insurance on property transactions to remain strong in 2015, and regional interest in W&I insurance for non-property M&A transactions to expand significantly, with Poland leading the way.’

To acquire the full version of the “Emerging Europe: M&A Report 2014/15,” please contact Rupert Hartzhauser (rupert.hartzhauser@cms-rrh.com).

A picture of Peter Huber is available for free download at http://sites.cms-rrh.com/downloads/huber_peter.zip

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