

Hitting the right notes
Central Europe Private
Equity confidence survey



The continuing rise in sentiment is cause for optimism. For now at least, CE Private Equity seems to be hitting the right notes.

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Introduction

Our latest survey reveals confidence levels approaching those recorded during the region's peak period between 2003 and 2007. It is the third semester in a row of rising sentiment among Central European (CE) private equity (PE) deal-doers.

There are a number of reasons for this. Firstly, Europe is no longer perceived by some to be on the brink of financial collapse, meaning portfolio companies can again look towards growing their business, rather than remain in defensive mode. The relative improvement in economic backdrop also gives international institutions renewed confidence in investing in Europe again – and a handful of fund closes attest to this. Herein lies another reason: general partners (GPs) are raising respectful sums for their latest vehicles. While the task of attracting limited partners (LPs) remains challenging, it has proven to be do-able in today's tough market. After a long hiatus, it is only in the last 12 months that half a dozen GPs have announced closes (final or interim).

Twice as many respondents as last time expect market activity to pick up this year, the second survey in a row we have recorded such an increase. This may be because of the fresh funds raised by aforementioned GPs. The past few years have seen many deal doers – globally, and not just in CE – conserving cash in an effort to avoid a rocky fundraising trail. Securing fresh commitments means GPs can shift their focus back to doing deals.

There continues to be a strong focus on selling businesses, with a third of respondents looking to focus on this for the rest of this year. This may be related to a handful of GPs embarking on the fundraising trail this year and needing to furnish their LPs with distributions ahead of issuing private placement memorandums (PPMs).



The market has seen a number of very strong exits in the last year, making headlines globally: most recently Mid Europa Partners sold minority stake in T-Mobile Czech Republic to Deutsche Telecom for €828m in February. The deal marked the buyer's second in the region in under a year: it spent €546m in 2013 to purchase private equity-backed GTS. In addition to Deutsche Telecom, other international buyers of CE assets in the last year include global PE heavyweight KKR (which entered CE for the first time in 2013), BUPA and BSH Bosch und Siemens Hausgeräte.

The continuing rise in sentiment is genuine cause for optimism. We look forward to working with local GPs to help them continue their strong run of exits and deals as the market recovery gives way to what we hope will become a new era of solid performance. For now at least, CE private equity seems to be hitting the right notes.

Garret Byrne
Partner, Private Equity Leader
Central Europe

May 2014

Overview

Key findings

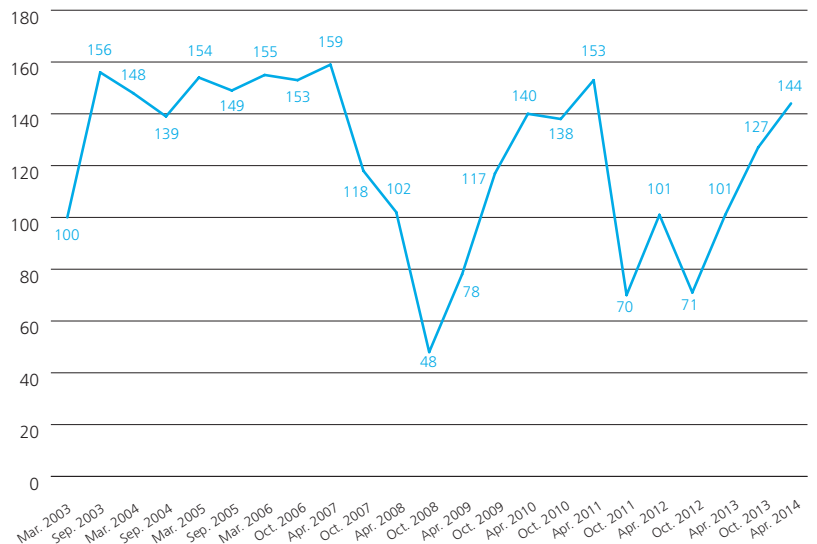
- Confidence continues to rise, with 18 months of unbroken improvement seeing the index at its highest level since 2011. Two thirds of respondents expect the economy to improve, up from 43% last time.
- We have recorded a doubling of the proportion of respondents expecting market activity to pick up, to 60%. This is likely down to GPs having fresh funds to put to work: three funds reached final closes last year, and another three hit first closes in the last few months. Additionally, more than a quarter of respondents feel leverage markets are improving – the highest level in three years – giving a further boost to deal-doing potential.
- While deal doers have long had an eye on fundraising, the proportion of respondents planning to focus on that for this year has more than doubled, from 8% to 19%. This will be instead of prioritising new investments, with half expecting to focus mostly on that, down from 59% in the previous survey.

Central Europe PE Confidence Index

The index is nearing its 2007 peak, with respondents optimistic about the economy, market activity and leverage availability. Portfolio management is giving way to new investments as deal doers' increased confidence gives them courage to originate again. Market participants are also nodding to investors, focusing more on exits in an effort to secure fresh commitments from LPs down the road. Half a dozen fund announcements were made in the last year; a roughly equal number are expected for this year.

The success in fundraising has led to confidence in market activity, with 60% of respondents expecting an increase. This comes even as deal doers expect to spend less time on new investments as they focus more on fundraising.

Central Europe PE Confidence Index*



*The PE Confidence Index is based upon answers received from PE professionals focused on Central Europe. It is composed from answers to the first seven questions of the survey. For each period the average of positive answer ratios over the sum of positive and negative answers is computed. This average is compared to the base period, which in our case is spring 2003.

The market remains firmly a mid-market one, with 85% of respondents expecting no change in average deal size – the highest level in the survey's history. For the first time since April 2007, no respondents feel the average will fall. This conveys a sense of stability among deal doers, perhaps a result of fresh capital available from GPs as they close funds, as well as from lenders, which are expected to increase their lending.

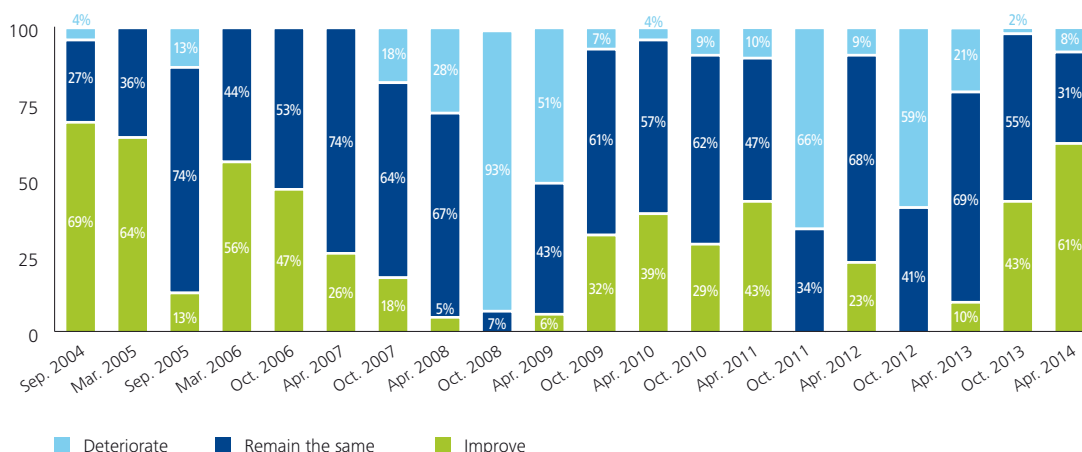
A close-up, low-angle shot of a computer keyboard. The keys are dark and have a matte finish. The lighting is soft, coming from the right, creating a gentle gradient across the keys. The text 'Survey results' is overlaid in a dark blue, serif font on the right side of the image.

Survey results

Survey results

Economic climate

Over the next 6 months I expect the overall economic climate to:*



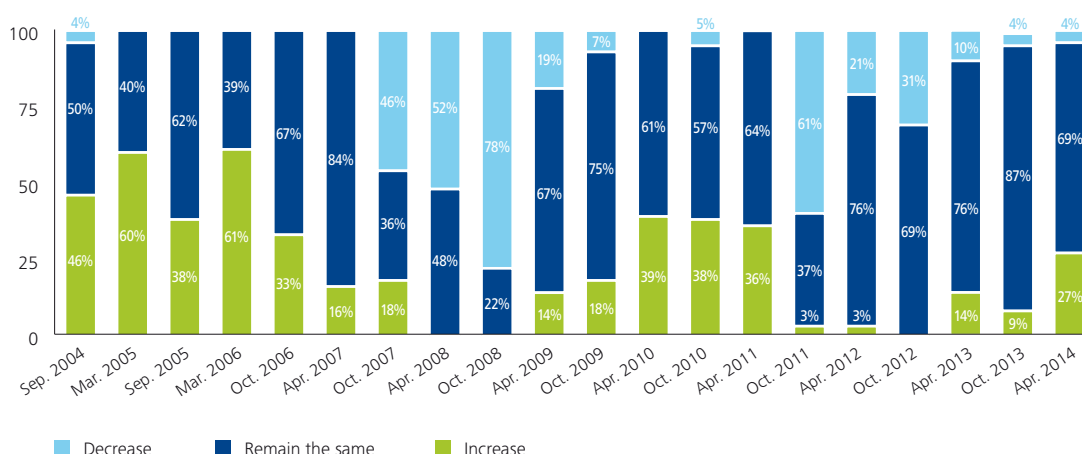
Sentiment has been on the rise for three surveys in a row, with almost two thirds of respondents expecting economic conditions to improve, up from 43% in our previous survey. This marks the highest level of optimism since September 2004, in the months following the accession of eight CE countries to the European Union.

This was also when CE's private equity market was enjoying a lucrative period that went on to attract increasing numbers of international investors.

There is, however, an increase in the number of respondents that expect sentiment to worsen, from 2% to 8% this period.

Debt availability

Over the next 6 months I expect the availability of debt finance to:



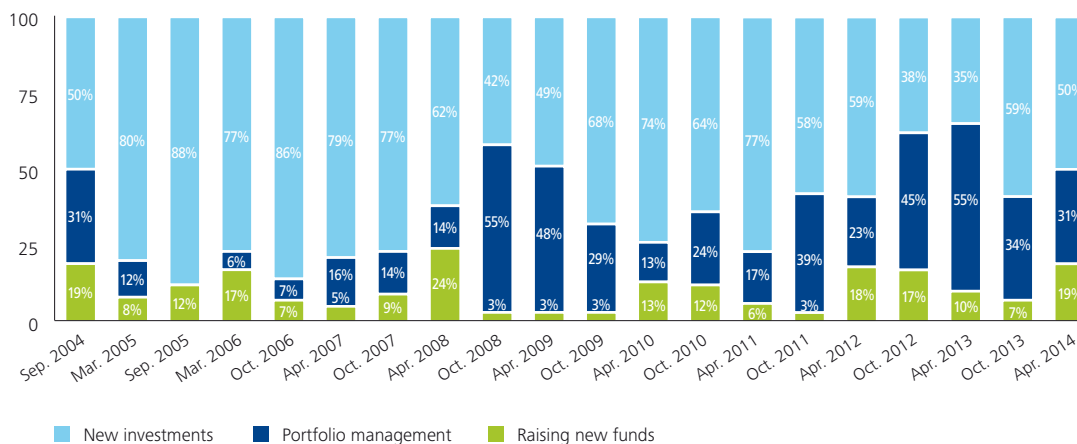
The number of respondents expecting debt availability to increase reached its highest level in three years, with 27% optimistic. This increase in expected liquidity from those respondents combined with fresh funds raised by local GPs could mean an increase in deal doing (a handful of fundraises took place last year (Abris,

Enterprise and Avallon) and more are expected this year. Since 2009, the majority of deal doers have felt debt markets would remain roughly the same and this period is no exception: More than two thirds (69%) expect no change in the leverage markets.

* Results are displayed only for the 20 most recent surveys.

Investors' focus

Over the next 6 months I expect to spend the majority of my time focusing on:



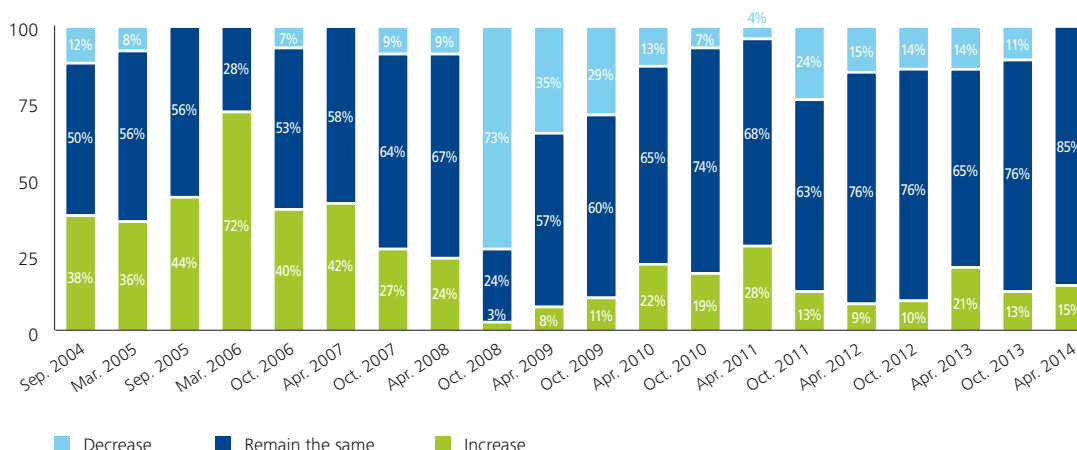
Fewer deal doers are looking to prioritise new investments in the coming months as they shift their focus to fundraising: half (50%) will focus mostly on new deals in the next six months, down from 59% in the last survey. Nearly a fifth (19%) will be prioritising fundraising, up from under a tenth (7%) last time. This marks the highest level since April 2008. Fundraising is

cyclical so once fund managers hit first closes on their funds, they may begin to invest the fresh capital.

This should make a welcome change to the cash conservation mode many GPs had been in as they took their LPs' temperatures in uncertain economic backdrops.

Size of transactions

Over the next 6 months I expect the average size of transactions to:



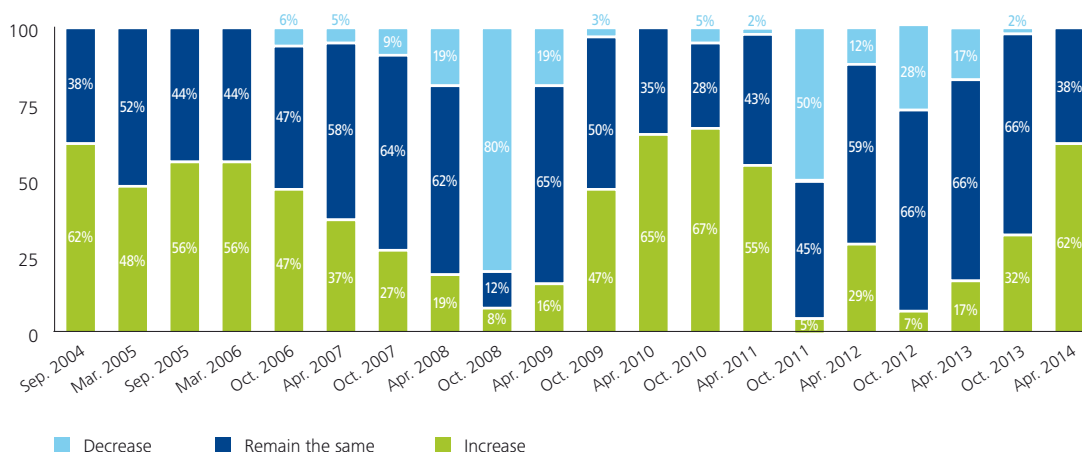
Little deviation is expected in average deal sizes, with 85% of respondents expecting no change – the highest level ever recorded since the survey began.

No respondents expect average deal sizes to drop, the first time deal doers have felt this way since April 2007.

The region remains a mid-market opportunity, with the occasional large deal. Last year's acquisition of Serbian pay TV provider SBB Telemach by KKR stood out as the region's largest, and even made Europe's top-ten.

Market activity

Over the next 6 months I expect the overall market activity to:



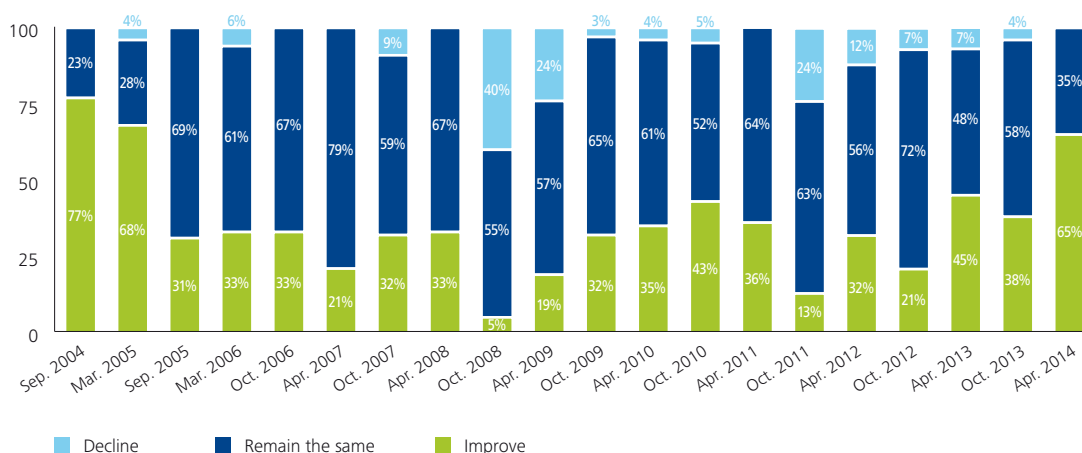
The survey revealed a near doubling of expectations of market activity, with more than 60% of respondents expecting dealflow to increase in the coming semester, up from just 32% in the previous period. This in itself is positive, since 2013 saw the number of private equity deals accelerate in the second half of the year. The value of these deals was up 70%, even as overall volume remained static year-on-year, reflecting a handful of mega deals.

Deal-doing should be facilitated by increasingly liquid leverage markets, with more than a quarter of respondents feeling leverage markets are improving – the highest level in three years – giving a further boost to deal-doing potential.

The rest of respondents expect market activity to remain the same, with no expectations of a reduction in activity.

Investment return

Over the next 6 months I expect efficiency of my financial investments to:

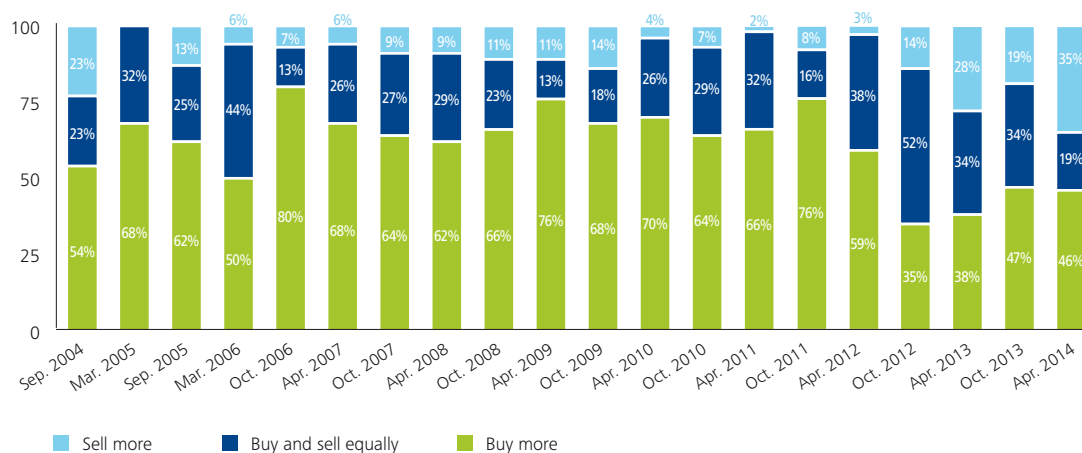


Nearly two thirds of respondents expect the efficiency of their financial investments to improve – the highest proportion since 2005.

Pessimism has been steadily and gently decreasing, with no respondents currently expecting a decline in efficiency.

Investors' activities

Over the next 6 months I expect to:



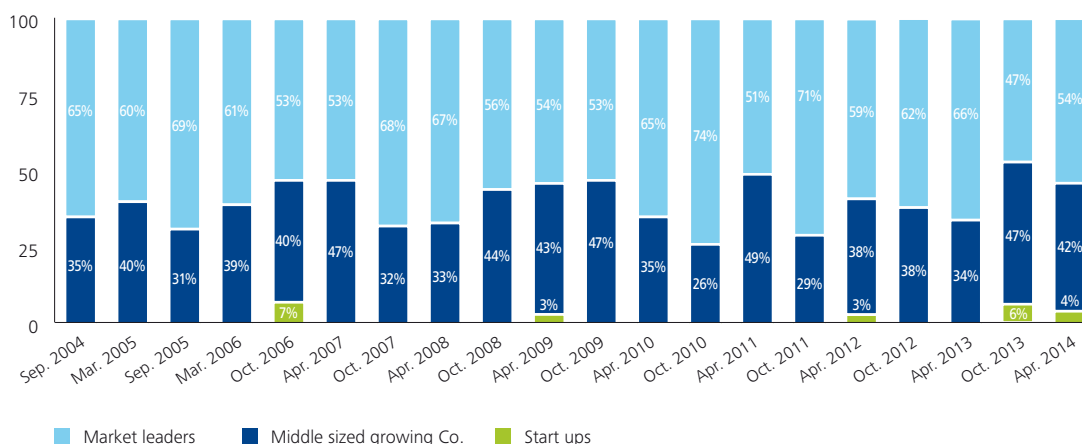
As has been the norm across all our surveys since 2004, the majority of deal-doers plan to buy more than they sell over the coming months. This highlights the confidence deal doers have in the local opportunity.

The proportion of deal-doers planning to sell more has nearly doubled since the last survey, to 35%. This focus on selling has been on the increase for two years and is likely a reflection of the increasing number of deal doers looking to fundraise this year. Securing realisations will help them refill investors' pockets ahead of issuing them

with PPMs. This year has seen Mid Europa sell a minority stake in T-Mobile Czech Republic to Deutsche Telecom in a €846m deal and Abris Capital Partners float Poland's Masterlease on the Warsaw Stock Exchange. Last year saw a number of impressive exits, including Emitel (sold by Montagu to US infrastructure investor Alinda); GTS (sold by a PE consortium to Deutsche Telecom for €546m); SBB Telemach (sold by Mid Europa to KKR for an undisclosed consideration) and Zelmer (sold by Enterprise to BSH und Siemens Hausgeräte for €143m).

Competition for new investments

Over the next 6 months I expect the highest competition for new investment opportunities in:

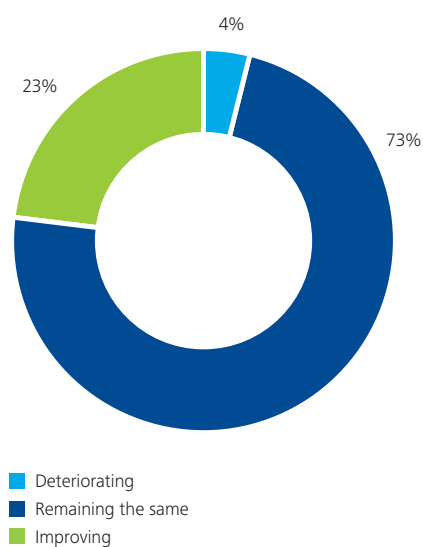


Deal doers continue to favour market leaders in their origination efforts, with the majority (54%) planning to seek them out in the coming months. This marks a gentle increase on the last period. Interest in middle-sized growing companies and start-ups has declined since our last survey, perhaps reflecting an aversion to risk as GPs increasingly focus on LPs in the run-up to fundraisings.

Interest in start-ups may increase as fresh venture capital funds are raised. Both 3TS and Earlybird, an experienced European VC just newly set up in CEE, have reached first closes for their latest funds. The former has so far raised €103m for its third fund while the latter reached a first close of \$110m for its debut CE vehicle.

Guest questions

In my opinion, the image of private equity is:

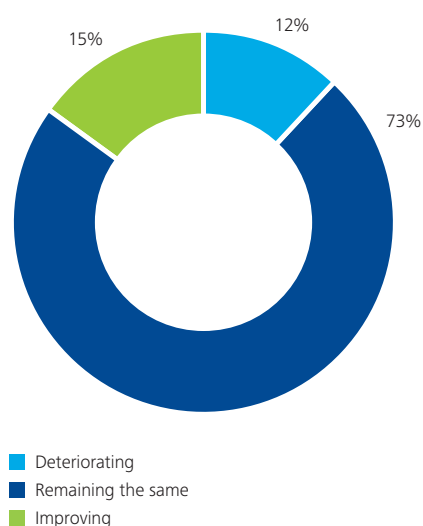


Nearly a quarter of deal-doers feel the public perception of private equity is improving; this may be because of the efforts of Europe's private equity and venture capital associations, as well as the GPs' own efforts in becoming more transparent and communicating with stakeholders more about the positive impact private equity can and does have on businesses and thus economies.

The image of private equity remains unchanged, according to the vast majority (73%) of respondents.

Just 4% feel the industry's reputation is worsening.

In my opinion, Central Europe local institutional interest in funding private equity is:



The lion's share of money in CEE private equity comes from international financial institutions, while the majority of private money comes from Western Europe and the US.

Regulatory changes may help redress this imbalance. Such changes have been slow to materialise and so change is likely to be slow and steady. As a result, nearly three quarters of respondents think local institutional interest in funding private equity remains the same.

Deals watch

Selected significant investments (October 2013 - April 2014)

PE House	Country	Company	Period	Est. Value EUR m	Stake	Description
Axxess Capital	Romania	Nextebank	April 2014	n/a	n/a	Axxess Capital acquired Nextebank, a Romania based subsidiary of MKB Bank, a Hungarian banking group controlled by the German group Bayerische Landesbank, for an undisclosed consideration.
Centrál Group	Hungary	Sanoma Media Budapest	April 2014	n/a	n/a	Centrál Group acquired Sanoma Media Budapest, a Hungary based magazine and online publisher, from Sanoma, a Finland based media and learning company.
LitCapital	Lithuania	Eldes	April 2014	n/a	n/a	LitCapital has signed investment agreement with Eldes, a Lithuanian company involved in the design, development, and production of advanced remote control devices and solutions for M2M market. The acquired stake is up to 40%.
BaltCap	Lithuania	Eurakras	April 2014	1.5	n/a	BaltCap has signed an agreement to invest EUR 1.5 million into Eurakras, a wind farm company, which is developing 24MW wind farm near Jurbarkas in Lithuania.
Mid Europa Partners	Poland	Sinulan Forte brand	April 2014	n/a	n/a	Walmark, a leading dietary supplements manufacturer in Central and Eastern Europe jointly controlled by Mid Europa Partners and the founding Walach family expanded its product portfolio by acquiring a range of products marketed under the Sinulan Forte brand from Novascon Pharmaceuticals. Sinulan is the leader in the sinus and upper respiratory category in the Polish food supplements market.
Enterprise Investors	Estonia	Take Outdoors	March 2014	3.4	32.4%	Enterprise Venture Fund I, the venture capital fund managed by Enterprise Investors, purchased 32.4% of shares in Take Outdoors, the leading European watersports company. The total value of the transaction was EUR 3.4m.
KKR	Serbia	SBB/Telemach Group	March 2014	n/a	n/a	KKR acquired SBB/Telemach Group, the Serbian pay TV provider, from Mid Europa Partners for undisclosed consideration. The deal represents New York-based KKR's first investment in Eastern Europe.
Resource Partners	Romania	World Class Romania	March 2014	n/a	controlling stake	The management of World Class Romania, the Romania based fitness club chain, has acquired the company in a management buyout transaction backed by Resource Partners, from World Class Seagull International, the Sweden based company operating health and fitness clubs for an undisclosed consideration.
Koha Capital	Estonia	Baltic News Service	March 2014	n/a	n/a	Uudisvoog, the Estonia based media company and a portfolio company of Koha Capital, acquired Baltic News Service, the Estonia based news agency and media information company, from Kauppalehti, the Finland based company engaged in providing financial market data and information on shares, companies, money, and funds, and a subsidiary of Alma Media, the Finland based media group engaged in newspaper publishing, broadcasting, business information services and media services, for an undisclosed consideration.

PE House	Country	Company	Period	Est. Value EUR m	Stake	Description
Capiton	Slovakia	Moneta Packaging SK	February 2014	n/a	100%	Schur Flexibles Holding, the Austria based producer and distributor of flexible packaging solutions and a portfolio company of Capiton, has acquired Moneta Packaging SK, the Slovakia based company that designs, develops, and manufactures packaging solutions, for an undisclosed consideration.
Axxess Capital	Romania	Star Storage	February 2014	n/a	65%	Emerging Europe Accession Fund, the Romania based private equity fund of Axxess Capital, has acquired a 65% stake in Star Storage, the Romania based provider of storage, archiving and information management solutions, from Catalin Paunescu and Liviu Gosa, the Romania based private individuals having interest in companies that provide data management solutions, for an undisclosed consideration.
BaltCap	Lithuania	Ecoservice	February 2014-Pending	14.9	75%	BaltCap Private Equity Fund II, Estonia based fund managed by BaltCap, agreed to acquire 75% stake in Ecoservice, the Lithuania based company engaged in the collection, transportation and processing of secondary raw materials and household waste, from City Service, the Lithuania based company engaged in providing building maintenance services, for an enterprise value of EUR 14.9m.
Vista Equity Partners	Hungary	IND Group	February 2014	n/a	n/a	Misys, the UK based company engaged in development, management and licensing of a variety of software products and solutions to customers in the financial services and healthcare industries and a portfolio of Vista Equity Partners, acquired IND Group, the Hungary based developer of online and mobile banking applications, from Euroventures Capital, for an undisclosed consideration.
Mezzanine Management	Czech Republic	BioVendor – Laboratorní Medicina	February 2014	10	n/a	Accession Mezzanine Capital III L.P. completed a growth capital investment, with total commitment of EUR 10m, into BioVendor – Laboratorní Medicina a.s., a Czech based enterprise primarily focusing on the in-vitro diagnostic market and the biomedical research field.
Innova Capital	Poland	Wirtualna Polska	February 2014	n/a	n/a	Innova Capital together with Grupa o2, a Polish internet publisher, have completed acquisition of Wirtualna Polska, a Polish internet portal. The combined companies will operate on the market under the name “Grupa Wirtualna Polska”.
Arx Equity Partners & Darby Overseas Investments	Hungary	Gramex2000	February 2014	n/a	n/a	ARX Equity Partners and Darby Private Equity together with experienced food industry executive Gerard Lenihan, completed the buyout of Gramex 2000, a Hungarian bottle manufacturer, for undisclosed consideration.
CVC Capital Partners & Summit Partners	Czech Republic	AVAST Software	February 2014 - Pending	n/a	n/a	CVC Capital Partners Limited, agreed to acquire a significant stake in AVAST Software, the Czech Republic based private anti-virus software producer, which values AVAST at USD 1b. Summit Partners will be reinvesting in AVAST alongside CVC for the remaining stake.

PE House	Country	Company	Period	Est. Value EUR m	Stake	Description
Tar Heel Capital	Poland	KIE	February 2014	n/a	n/a	Tar Heel Capital II FIZAN, the Poland based fund of Tar Heel Capital LLC acquired a stake in KIE, the Poland based company engaged in operating medical diagnostic imaging centers, for an undisclosed consideration.
The Gores Group	Slovenia	Fotona	January 2014	n/a	n/a	The Gores Group, a Los Angeles-based investment firm, and Technology4Medicine acquired Fotona, a Slovenia-based manufacturer of high performance lasers for medical, dental, aesthetic and gynecological applications, for an undisclosed consideration. The Gores Group invested through its Small Capitalization Partners fund.
Insight Venture Partners	Lithuania	Manodrabuziai.lt (Vinted)	January 2014	20	20%	Insight Venture Partners has invested EUR 20m into Vinted, Lithuanian based company, which has established a social marketplace for second-hand clothes.
OpenGate Capital	Poland	AGIS Fire & Security	January 2014	n/a	n/a	OpenGate Capital, the US based private equity firm, acquired AGIS Fire & Security, the Poland based company engaged in designing, manufacturing, installing and servicing electronic security systems and also supplies integrated security applications, electronic article surveillance and fire detection equipments, for an undisclosed consideration.
VCP Capital Partners	Hungary	Ringier (Nepszabadsag), Axel Springer	January 2014	n/a	70.77%	VCP Capital Partners acquired the Hungarian portfolio of newspapers, magazines and a food website from, Axel Springer and Ringier, the Switzerland based media company, for an undisclosed consideration.
Midinvest Management	Estonia	Baltic Energy Services	January 2014	n/a	33.33%	Energiakolmio, the Finland based company specialising in portfolio management and energy services and a portfolio company of Midinvest Management, acquired a 33.33% stake in Baltic Energy Services, the Estonia based electricity portfolio manager and balance, for an undisclosed consideration.
Penta Investments	Slovakia	Nemocnice a polikliniky	December 2013 - Pending	n/a	100%	Penta Investments agreed to acquire Nemocnice a polikliniky, the Slovakia based operator of hospitals, for an undisclosed consideration.
Alinda Capital Partners	Poland	EmiTel	December 2013 - Pending	n/a	100%	Alinda Capital Partners, has agreed to acquire EmiTel, the Poland based radio and TV broadcast infrastructure operator, from Montagu Private Equity, Innova Capital, Value4Capital and The European Bank for Reconstruction and Development, for an undisclosed consideration.
VTC Partners	Poland	Kromiss-Bis	November 2013	n/a	n/a	Europolis & Co, the Germany based manufacturer of carrier systems and a portfolio company of VTC Partners, acquired Kromiss Bis, the Poland based manufacturer of tubular steel structures for power, lighting, and traction industry, for an undisclosed consideration.
Genesis Capital	Czech Republic	SIEZA	November 2013	n/a	n/a	The management of SIEZA, the Czech Republic based supplier and installer of integrated security systems acquired the company in a management buyout transaction backed by Genesis Private Equity Fund II, the Czech Republic based private equity fund of Genesis Capital, from Nadezda Waksmundska, the Czech Republic based private individual having interest in companies providing complex security solutions, for an undisclosed consideration.

PE House	Country	Company	Period	Est. Value EUR m	Stake	Description
Lone Star Funds	Poland	Globe Trade Centre	November 2013	160	27.75%	Lone Star Funds signed a share purchase agreement to acquire 27.75% stake in Globe Trade Centre, from Kardan N.V. for a consideration of EUR 160m.
Enterprise Investors	Poland	Budimex Danwood	November 2013	57	100%	Polish Enterprise Fund VII, the Poland based fund of Enterprise Investors, acquired Budimex Danwood, the Poland based company engaged in providing home building services, from Budimex, the Poland based building and construction company, for a consideration of EUR 57m.
Bridgepoint	Poland	Dr. Gerard	October 2013	n/a	n/a	Bridgepoint acquired Dr Gerard, a Polish biscuit maker, from French firm Group Poult, backed by LBO France, for an undisclosed consideration.
Mid Europa Partners	Czech Republic	Euromedic	October 2013	n/a	n/a	Alpha Medical, a provider of laboratory testing services and a portfolio of Mid Europa Partners, acquired the Czech laboratory business of medical services provider Euromedic, for an undisclosed consideration.
Mid Europa Partners	Poland	Olympus Consilio	October 2013	n/a	n/a	Diagnostyka, a Poland based diagnostic laboratory service provider and a portfolio of Mid Europa Partners, acquired Olympus Consilio, a Poland based company providing pathology examinations to hospitals, clinics and individual medical practices, for an undisclosed consideration.
BaltCap	Latvia	Stenders	October 2013	1.5	n/a	BaltCap backed Stenders, a Latvian cosmetics franchise, with a EUR 1.5m investment. The capital injection will be used by Stenders to enter new markets and expand its product range.
Francisco Partners	Romania	Avangate	October 2013	n/a	n/a	US VC Francisco Partners acquired Avangate, a Romanian software business, from 3TS Capital Partners, for an undisclosed consideration.

Selected significant exits (October 2013 - April 2014)

Seller	Company	Country	Buyer	Period	Value EUR m	Stake	Description
Abris Capital Partners	Siodemka	Poland	DPD Polska	April 2014	n/a	n/a	Abris Capital Partners sold Siodemka, a Polish delivery company, to trade buyer DPD Polska for an undisclosed consideration.
Abris Capital Partners	Masterlease Polska	Poland	n/a	April 2014	125	40%	Abris Capital Partners floated Masterlease Polska, a Polish fleet management company, on the Warsaw Stock Exchange. The company set its share price at PLN 44 each and listed 4,763,536 shares, representing 40% of the company's share capital, which would value the whole share capital in the region of EUR 125m (PLN 524m).
Mid Europa Partners	SBB/Telemach Group	Serbia	KKR	March 2014	n/a	n/a	Mid Europa Partners completed the sale of its investment in the SBB/Telemach Group, the Serbian pay TV provider, to funds affiliated with KKR.
Euroventures Capital	IND Group	Hungary	Vista Equity Partners	February 2014	n/a	n/a	Euroventures Capital sold IND Group, the Hungary based developer of online and mobile banking applications, to Misys, the UK based company engaged in development, management and licensing of a variety of software products and solutions to customers in the financial services and healthcare industries and a portfolio of Vista Equity Partners, for an undisclosed consideration.
Mid Europa Partners, Al Bateen Investment Company & Trilantic Capital Partners	T-Mobile Czech Republic	Czech Republic	Deutsche Telekom	February 2014	828	39.23%	Mid Europa Partners and others disposed the remaining 39.23% in T-Mobile Czech Republic, the Czech Republic based mobile telecommunications company, to Deutsche Telekom for a consideration of EUR 828m.
Enterprise Investors, Intel Capital	Siveco	Romania	Siveco management	January 2014	n/a	32.5%	Enterprise Investors and Intel Capital sold its 32.5% stake in Siveco, a Romanian software company, back to its management for an undisclosed consideration.
BaltCap	Primekss	Latvia	Green Gateway Fund	January 2014	10	48%	BaltCap Latvia Venture Capital Fund K.S., the Latvia based fund of BaltCap, the Estonia based private equity and venture capital firm, sold its 48% stake in Primekss, the Latvian industrial flooring specialist, to Green Gateway Fund, the Russia based fund of Wermuth Asset Management, the Germany based alternative asset advisory firm, for a consideration of EUR 10m.
Enterprise Investors	Sklepy Komfort	Poland	Barcocalpital Investment	December 2013 - Pending	n/a	100%	Enterprise Investors sold Sklepy Komfort, a Polish flooring retail chain, to Barcocalpital Investment, controlled by Polish entrepreneur Michal Solowow, for an undisclosed consideration.
ARX Equity Partners	ERGIS-EUROFILMS	Poland	Investors on the Warsaw Stock Exchange	December 2013	n/a	n/a	ARX Equity Partners fully exited its investment in ERGIS-EUROFILMS, a Polish plastics processor, generating an overall internal rate of return of over 33% and 4.5 cash-on-cash multiple. The ARX exit was executed via a series of block trades to investors on the Warsaw Stock Exchange in December 2013, which followed the partial realization of the Ergis investment in 2006.

Seller	Company	Country	Buyer	Period	Value EUR m	Stake	Description
Firebird Management & PKL Holding	PKL	Estonia	Alfons Hakans	December 2013 - Pending	n/a	n/a	Amber Trust II SCA, the Luxembourg based private equity fund of Amber Trust, the Luxembourg based private equity fund of Firebird Management, and PKL Holding, the Estonia based investment holding company having interest in companies engaged in providing tugboat services, sold PKL, the Estonia based company engaged in providing tugboat services, to Alfons Hakans, the Finland based shipping company, for an undisclosed consideration.
Montagu Private Equity; Innova Capital & Value4Capital	EmiTel	Poland	Alinda Capital Partners	December 2013 - Pending	n/a	n/a	Montagu Private Equity, Innova Capital, Value4Capital and The European Bank for Reconstruction and Development agreed to sell EmiTel, the Poland based radio and TV broadcast infrastructure operator to Alinda Capital Partners for an undisclosed consideration.
Penta Investments	MediClinic	Czech Republic	Pavel Vajskebr & Eduard Blaha (Private Investors)	November 2013	n/a	100%	Penta Investments sold MediClinic, the Czech Republic based provider of private outpatient health care service, to Mr. Pavel Vajskebr and Mr. Eduard Blaha, the Czech Republic based private individuals having interest in companies engaged in providing services to the healthcare sector, for an undisclosed consideration.
Columbia Capital, Bessemer Venture Partners, HarbourVest Partners, Indigo Capital Limited, Innova Capital, M/C Partners and Oak Investment Partners	GTS Central Europe Holdings	Central Europe	Deutsche Telekom	November 2013 - Pending	546	n/a	Columbia Capital and others has agreed to sell GTS Central Europe Holdings, Poland based broadband optical and IP network provider, to Deutsche Telekom for a consideration of EUR 546m.
3TS Capital Partners	Avangate	Romania	Francisco Partners	October 2013	n/a	n/a	CEE technology investor 3TS Capital Partners sold its stake in Avangate, a Romanian software business, to US VC Francisco Partners for an undisclosed consideration.

Fund raising (October 2013 - April 2014)

Company	Fund	Value (EUR m)	Status	Time	Description
BaltCap	BaltCap Private Equity Fund II	50.6	First close	January 2014	BaltCap held a first close for its latest fund BaltCap Private Equity Fund II (BPEF II) on EUR 50.6m, with subscribed commitments of EUR 63m. BPEF II will seek to acquire controlling stakes in companies in the Baltics with enterprise values of between EUR 5-40m, focusing on buy-and-build strategies, and will also consider larger transactions alongside co-investors.
Early Bird Venture Capital	Fund II	80	First close	January 2014	Early Bird Venture Capital has held the first close of its CEE-focused early-stage fund, Earlybird Digital East Fund (EDEF), on EUR 80m (USD 110m). EDEF will focus its investments on technology start-ups, predominantly those based in Turkey but also businesses operating in the rest of central and eastern Europe, with the exception of Russia.
Avallon	Avallon MBO II	109	Second close	December 2013	Avallon has reached the EUR 109m mark for its Avallon MBO II fund, a year after holding its first close on EUR 60m. Avallon MBO II will partner with management teams to back buyouts of small- to mid-cap companies, specifically buying stakes in private companies currently owned by their founders.
21 Partners	21 Concordia	60	First close	November 2013	21 Partners expanded into Poland by establishing a local team and holding a first close on EUR 60m for mid-market fund 21 Concordia. 21 Concordia has received commitments from the European Investment Fund (EIF), the European Bank for Reconstruction and Development (EBRD) and the Polish Growth Fund-of-Funds (PGFF) – an initiative backed by Bank Gospodarstwa Krajowego (BGK) and EIF. The new fund will deploy cash, targeting mid-market entrepreneurs, typically in the EUR 50-200m enterprise value range, in need of local financing for growth and international development. It will aim to expand companies through organic and acquisitive growth strategies, as well as by international expansion.
WI EEC Ventures	WI EEC Ventures SKA	25	Completed	October 2013	WI EEC Ventures (joint venture company of EEC Ventures and W Investments) completed its first fund exclusively dedicated to investing in energy, environment, clean technologies sector (EEC). WI EEC Ventures SKA is backed by local institutional LPs. This fund can invest in Poland and holds a unique competence to seek out opportunities in providing growth/expansion capital financing to small but dynamically growing companies in EEC sector.

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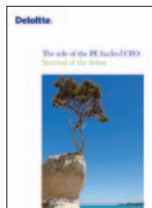
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Additional resources



The role of the PE backed CFO

www2.deloitte.com/pebackedcfo

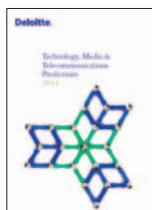
In Deloitte's work with private equity houses and private equity owned companies it has become evident that the landscape for PE backed CFOs has changed since 2007 – and continues to evolve. It was in this context that we decided to find out more about the role of the PE backed CFO. What is it really like to be a CFO of PE backed business? What is expected from shareholders, CEOs and chairman? What are the business priorities as CFOs see them? To find answers to these and other questions, we interviewed almost 150 PE Backed CFOs, CEOs and chairman, alongside senior private equity investors to gather as many different viewpoints as possible before drawing together our conclusions.



CE CFO Survey

www.deloitte.com/cecfo

The Deloitte CE CFO Survey is a unique collection of 13 locally tailored reports reflecting the opinions of almost 600 CFOs of leading companies in the Central European region. The findings are based on the fifth edition of a Deloitte survey undertaken from October to November 2013 in 13 countries in the region – Albania & Kosovo, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Latvia, Lithuania, Poland, Romania, Serbia, Slovakia and Slovenia. The survey captures shifts in CFOs' opinions on factors including risks, GDP growth and financing priorities. It has become a benchmark for agile decision-making that takes into account the financial attitudes of major corporations across Central Europe.



TMT Predictions

www2.deloitte.com/tmtpredictions2014

TMT Predictions' objective is to identify critical inflection points we believe should inform industry strategic thinking, and to explain how we think these will manifest over the next 12-18 months for companies in Technology, Media, Telecommunications, and other industries.



Global Economic Outlook Q2 2014

<http://dupress.com/periodical/global-economic-outlook/q2-2014?icid=hp:ft:01>

The second quarter edition of the Global Economic Outlook offers timely insights from Deloitte Research economists about the Eurozone, China, the United States, Japan, India, Russia, Brazil, and the United Kingdom. In addition, this issue's special topic considers the revival in international trade and the resurgence of bilateralism.

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For information on the Deloitte CE Private Equity confidence survey please visit:

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