



## Press release

### Confidence levels approach 2007 peak as CE Private Equity rebunds

**Prague, 13 May 2014 – Investor confidence in CE has continued its ascent and is now approaching levels not seen since the region’s peak period between 2003-2007, according to the latest [Deloitte CE Private Equity Confidence Survey](#).**

The region’s downturn may at last be coming to an end: the proportion of respondents expecting deal activity to pick up has doubled to 60% since the last survey – which itself revealed the highest confidence levels in two years. “This is not merely a case of improving on a low base,” explains Deloitte CE Partner and Private Equity Leader Garret Byrne. “The sentiment we are picking up from deal doers is more upbeat, and our latest research backs this up. We are very encouraged by it.”

There are a number of factors that may contribute to the improved confidence. Says Byrne: “Europe is no longer perceived by some to be ‘on the brink of collapse’, which has meant investors – particularly in the US – are again looking to Europe and indeed CE. We witnessed a number of fund closes last year, with others expected imminently. This means fresh funds are ready to put to work.”

And more may be on the cards, with the proportion of respondents expecting to focus on fundraising doubling to nearly a fifth this survey (19%).

Economic conditions are helping put rhythm back into the market: two thirds of respondents expect the economic backdrop to improve, up from 43% in the previous survey. This marks the highest level of economic confidence since 2004, when eight CE countries joined the EU. “Belief that things will get better is crucial to getting deals done – confidence allows business owners to plan for growth, rather than remain in defensive mode. Private equity is well positioned to partner with these businesses as they set out to achieve their plans,” Byrne stresses.

And at long last, debt is expected to be more readily available by a quarter of respondents (27%). Says Byrne: “This is the highest level of confidence in debt markets for three years. Access to finance enables businesses – and private equity funds – to invest for the future.”

Fresh funds raised by private equity houses combined with leverage availability may help propel CE back into peak performance.

#### [About Deloitte Private Equity Confidence Index](#)

The confidence index is based on answers to the first seven questions in our 10-question survey, which are given by private equity professionals with a focus on Central Europe. For each period, we compute the average of positive answer ratios over the sum of positive and negative answers. This average is compared to the base period, which in our case is spring 2003.

### Central Europe PE Confidence Index\*



The complete wording of **The Deloitte Central Europe Private Equity Confidence Survey** is available at [www.deloitte.com/ce-private-equity-confidence](http://www.deloitte.com/ce-private-equity-confidence).

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