



M&A Index Polska

2Q 2014

Prepared by **Navigator Capital** & **Datapoint**



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M&A Index Polska, 2Q 2014

by Navigator Capital & Datapoint | August 2014

Total number of transactions*

32 (2Q 2014)

The largest transaction**

EUR 336 m

(Takeover of RSA subsidiaries by PZU)

* based on public data

** among transactions with disclosed prices

INTRODUCTION

In the second three months of 2014, the number of M&A transactions was relatively higher than in the second quarter of 2013 and also higher than in the first quarter of 2014. The most popular targets were companies representing medical and food sectors. Below we have attached description of the most considerable deals.

SELECTED TRANSACTIONS

TARGET	BIDDER	SELLER	VALUE
Siódemka	DPD Polska	Milo Holdings	n/a

(April 14th) Subsidiary of national French post La Poste – DPD Polska will buy Siódemka from Milo Holdings owned by Abris Capital fund. Siódemka is a courier service company that cooperates with approx. 12k enterprises. In 2013 Siódemka's revenues reached PLN 336m. As a result of merger, company is going to have 20% stake in its market segment. In 2010 Abris Capital bought Siódemka from its founders for PLN 230m.

TARGET	BIDDER	SELLER	VALUE
Scanmed Multimedis (80,7%)	Dadley Investments	Black Lion NFI	EUR 44m

(April 16th) Black Lion Fund and minority shareholders sold a 80.7 % stake in Scanmed Multimedis to Dadley Investments. The new owner is a subsidiary of Life Healthcare Group. Scanmed Multimedis is a group that consists of Scanmed, Scan Development and Webolit-Polska. The new investor is the biggest South-African operator of private hospitals, that controls network of 63 hospitals with total capacity of 8k beds. Life Healthcare Group revenues reached PLN 3.4b and net income accounted for PLN 0.5b.

TARGET	BIDDER	SELLER	VALUE
Link4, Lietuvos Draudimas, AAS Balta	PZU	RSA Insurance Group	EUR 336m

(April 17th) PZU Group became the largest insurance group in CEE as a result of takeover of Polish and Baltic RSA Insurance Group's assets. After the transaction PZU became owner of Towarzystwo Ubezpieczeń Link4 in Poland, Lietuvos Draudimas in Lithuania, AAS Balta in Latvia and Estonian Codan Forsikring. Link4 specializes in direct sales of insurances and will complement PZU strategy by reaching new clients that prefer direct sales. Transaction is subject to regulatory approval.

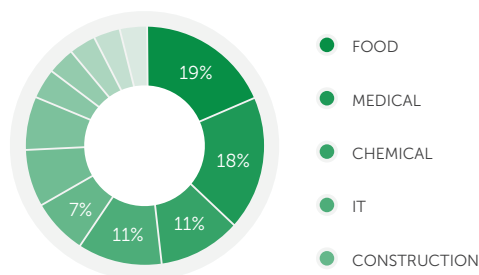
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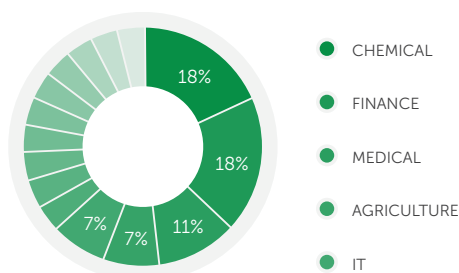
By sector

Transactions with the participation of Polish companies grouped by sectors (by number of transactions)

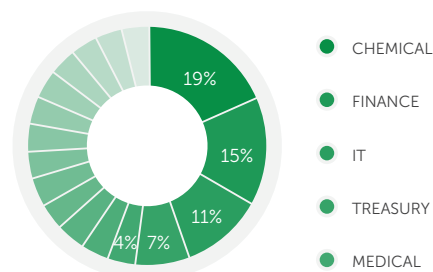
TARGET (%)



BIDDER (%)



SELLER (%)



TARGET	BIDDER	SELLER	VALUE
Tensho Poland Corporation (80%)	Boryszew	Mitsui & Co, Tensho Electric Industries Co, Sanko Co	EUR 11m

(April 18th) Boryszew agreed to acquire 80% stake in Tensho Poland Corporation. The transaction concerns equity valued at EUR 1.6m and EUR 9m debt. Tensho Poland is producer of specialized plastic products that are used in RTV (TV-sats), automotive and medical segments.

TARGET	BIDDER	SELLER	VALUE
Gamrat Wykładziny	Tarkett	Lentex	EUR 22m

(April 30th) A company listed on Paris stock exchange, Tarkett bought Gamrat Wykładziny that operates in carpet manufacturing business, from Lentex, which is listed on Warsaw Stock Exchange. Tarkett is a leading company in flooring and sport surfaces business. Tarkett is also a global player that has customers in approx. 100 countries with 32 production sites and almost 11k employees. In 2013 Tarkett's revenues amounted to EUR 2.5b. Gamrat specializes in high quality carpets for business and professional usage. In 2013 Gamrat's revenues amounted to EUR 20m, with 220 employees.

TARGET	BIDDER	SELLER	VALUE
Orlen Medica, Prof-med	PZU	PKN Orlen	EUR 11m

(May 14th) PZU Group's subsidiary – PZU FIZ AN BIS 2, bought 100% stake in Orlen Medica and a 96.45% stake in Prof-med from subsidiary of PKN Orlen Group – Anwil. PZU reported in quarterly report that sales agreements were signed on April 8th, and the ownership moved to PZU in case of Orlen Medica on May 8th and Prof-med on May 12th. Orlen Medica operates two clinics in Płock, and Prof-med operates two clinics in Włocławek. Orlen Medica operates in both medical services segments – private and public. Prof-med has been on the market for 40 years and is present in the private medical services segment. Prof-med serves over 35k patients from approx. 100 enterprises.

TARGET	BIDDER	SELLER	VALUE
Telco Lublin	UPC Polska	NPLay	EUR 5m

(May 19th) Subsidiary of Liberty Global, UPC Polska, bought local provider of Internet, cable television and telephony services – Telco Lublin. Target of the transaction serves over 16k services, and its market amounts to 53k households. UPC Polska's client portfolio amount to 1.4m subscribers in 2014. Potential market size for UPC's new services amounts to 2.5m households in more than 100 Polish towns.

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- Navigator Capital along with Dom Maklerski Navigator (Navigator Brokerage House) is the leading independent financial adviser, specializing in mergers and acquisitions and public and private issues of stocks and bonds.
- In recent years Navigator has completed over 20 transactions. Navigator Partners' market experience includes deals worth over PLN 6b (EUR 1.5b).
- Through cooperation with international network of advisory firms associated in the Pandion Partners, Navigator Capital effectively handles international transactions.
- Navigator Capital and Dom Maklerski Navigator create a strategic alliance with Biuro Maklerskie Banku BPH (Brokerage Office of Bank BPH) concerning services related to shares (IPO & SPO) and debt instruments (bonds) public issues.

Datapoint

- Datapoint is a pioneer on the Polish capital market. We help our customers in managing documents and communication during complex and confidential deals, using our own IT systems based on the Virtual Data Room technology.
- We support the largest M&A transactions, IPOs, PE investments, restructurings, capital raising projects and privatizations in Poland and other Central and Eastern European countries.
- Our systems have increased the efficiency and security of more than 150 transactions of different types, with a total value of over PLN 29 billion.

Business Partners



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TARGET	BIDDER	SELLER	VALUE
Centrum Medyczne Diagnostyka	Lux Med	Enel Med	EUR 14m

(May 19th) Centrum Medyczne Diagnostyka, that operates through 7 diagnostic imaging centers was bought by Lux Med. As a result of the transaction Lux Med enlarged number of its diagnostic centers to 27. New centers are located in Wotomin, Łomża, Poznań, Konin, Lublin, Mielec and Warsaw. This is the 6th deal of Lux Med since December. Selling of diagnostic centers is in line with Enel Med's plan of structure reorganization and acquiring funds for investment plan for years 2014-2016.

TARGET	BIDDER	SELLER	VALUE
Rieber Foods Polska	Bakalland	Orkla	EUR 20m

(May 23rd) Delecta was bought by Bakalland. Takeover structure is complicated and Innova Phoenix fund is involved into that process. Bakalland has a wide product portfolio that are divided into 4 brands: Bakalland, Orico, Mr. Breakfast and Fresco. Under Bakalland brand company sells sweetmeats, weight for cakes and snacks. Orico brand is related to a wide scope of soy products and Fresco is a breakfast food line. Fresco is Bakalland's second sweetmeats brand. In 2013 Bakalland's revenues amounted to PLN 176 m. Delecta is a cake and desserts' producer that was bought by Norwegian Rieber & Son, which is a part of Orkla Group since 2013. Transaction received regulatory approvals.

TARGET	BIDDER	SELLER	VALUE
Copernicus (50%)	Undisclosed	Bioton	EUR 6m

(June 13th) Polish biotech company – Bioton sold a 50% stake in Copernicus that specializes in insulin pen production. Information about conditional agreement were public a quarter before, and in this quarter, after meeting the conditions, the transaction is being realized. By selling 50% stake, Copernicus totally exits from an investment in Copernicus. In February Bioton sold a 10% stake in Copernicus for PLN 1.56m. Bioton plans to sell more of its subsidiaries.

TARGET	BIDDER	SELLER	VALUE
Fruehauf Expansions	Wielton	Fruehauf SAS	n/a

(June 27th) The main Polish player in production and sales of trailers, semitrailers and car structures, Wielton, made a binding offer for 100% stake in French company Fruehauf Expansions SAS. French company that has headquarters in Auxerre is a leading trailer and semitrailer producer in France, that sold 3.4k units in last year, what generated 95m EUR revenues and 1.6m EUR net profit. Expected value of the transaction will rely on EV/EBITDA multiple that should be valued at no higher level than 5.