

Navigator Capital Report

Mergers and acquisitions in Poland – 4Q 2013

January 2014

Total number of transactions*

51
(4Q2013)

The largest transaction **

EUR 1.461bn
(Takeover of Polkomtel by Cyfrowy Polsat)

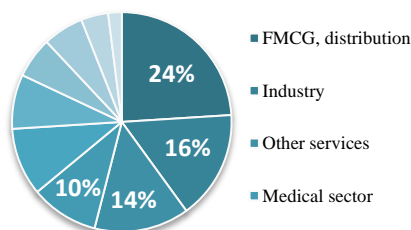
*based on public data

** among transactions with disclosed prices

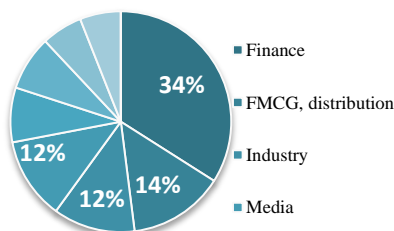
By sector

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

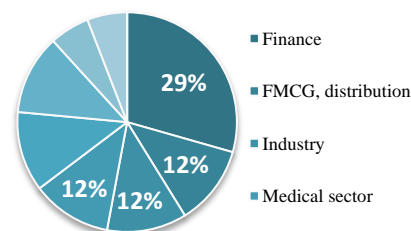
Target (%)



Bidder (%)



Seller(%)



Introduction

Number of transactions was relatively higher in the last three months of 2013 than in the other quarters. FMCG and distribution sector companies were the most popular targets in the end of the year. Below we have attached description of the most noticeable deals.

Selected transactions

Target	Bidder	Seller	Value
Dr Gerard	Bridgepoint Europe	Biscuits Poult	Undisclosed

› (October 10th) Dr Gerard, one of the biggest producers of biscuits and chocolate products in Poland was bought from Poult Group by Bridgepoint Europe. Dr Gerard has three production plants, that are located in Radzyn Podlaski, Miedzyrzec Podlaski and Ozarow Mazowiecki, total number of employees accounts for ca. 950 and yearly turnover exceeds PLN 200m. Bridgepoint is a leading PE fund in Europe, for last 10 years has closed over 54 transactions. Total value of those transactions accounts for over EUR 17 bn.

Target	Bidder	Seller	Value
Wirtualna Polska	Grupa o2	Telekomunikacja Polska	EUR 90m

› (October 23rd) o2 Group, owner of popular Polish websites has acquired Wirtualna Polska portal from Telekomunikacja Polska. o2 Group is controlled by a portfolio company of private equity fund Innova Capital. Management of o2 plans to keep Wirtualna Polska running up, despite Wirtualna Polska remains a competitor of Group's portal – o2.pl. Group expects that transaction will be closed in the first quarter of 2014.

Target	Bidder	Seller	Value
eService	EVO Payments International	PKO BP	EUR 85m

› (November 11th) PKO BP sold 66% stake in eService to EVO Payments, provider of payment services that operates in the USA, Canada and Europe. Apart from that, both companies agreed to create a strategic alliance in the field of electronic payments business. eService currently has a 35% share in the Polish market. The Company operates through the network of 80k POS terminals (point of sales – devices that are used for remote contact with the bank).

Target	Bidder	Seller	Value
Polkomtel	Cyfrowy Polsat	owners	EUR 1.5bn

› (November 14th) Cyfrowy Polsat bought Polkomtel from current shareholders: Karswell, Sensor Overseas, Argumenol Investment, European Bank for Reconstruction and Development. Polkomtel and Cyfrowy Polsat were in control of Zygmunt Solorz-Żak before the transaction, however completion of that transaction allows for integration of those businesses and leads to create a media group that will offer a wide product portfolio.

Target	Bidder	Seller	Value
Globe Trade Centre	Lone Star Funds	Kardan N.V.	EUR 160m

› (November 17th) Lone Star fund has agreed to buy 27.75% stake in Globe Trade Centre from Kardan N.V. Value of transaction amounts to EUR 160m. Globe Trade Centre is listed on WSE developer, Lone Star Fund is private equity fund from USA, and Kardan is a Dutch company that operates in the investment business on the emerging markets. The main reason of the sale is the Globe Trade Center's imperative of financial liabilities repayment.

Navigator Capital

- › 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 EUR 1.5bn.
- › 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. Company supports the largest M&A, IPO, Private Equity and privatization projects in Poland and other countries of Central and Eastern Europe, based on the technology of a Virtual Data Room.
- › The Datapoint VDR system raised the levels of safety and efficiency of different projects of total value of over PLN 26bn.
- › Datapoint’s aim is to identify the needs for secure management of confidential documents of specific sectors, and to address them based on the technology of the Virtual Data Room.

Business Partners



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Target	Bidder	Seller	Value
Tell	Neo Investments	n/a	EUR 9m

› (December 5th) Neo Investments, an investment fund that puts focus on innovations in different businesses, made a tender offer for 61.18% shares in Tell S.A. In September 2013 Neo Investments has acquired 22% stake in preferred shares of the Company. The shares account for 36.5% votes on the general meeting of shareholders. Tell S.A. is the biggest mobile phone network-chain retailer in Poland that offers Orange’s services. Fund’s portfolio companies are also: Outsourcing Experts, Real Management and Eco-Wind Construction.

Target	Bidder	Seller	Value
Sport Medica	LUX Med	Waldemar Sielski	Undisclosed

› (December 5th) LUX Med has acquired 80.9% stake in Sport Medica. Sport Medica operates Carolina Medical Center hospital which has 36 beds, 24/7 open wound ambulant, policlinic and rehab center that specialises in the field of orthopedics. Carolina Medical Center offers services such as: magnetic resonance, computer tomography, USG, RTG and functional diagnostics. Value of the transaction remains undisclosed.

Target	Bidder	Seller	Value
Elektrociepłownia Będzin	Energ-Utech	Envia Mitteldeutsche Energie	EUR 10m

› (December 12th) Energ-Utech, owned in 50% by Przedsiębiorstwo Usługowe Utech acquired 65.9% stake in Elektrociepłownia Będzin from Envia Mitteldeutsche Energie. Value of the transaction amounts to EUR 10 m. Elektrociepłownia Będzin is the main provider of heat, domestic hot water and technological heat for Zagłębie (Coal Basin). In 2012 the Company’s revenues were PLN 104.1m.

Target	Bidder	Seller	Value
Chemikals	Pekaes	Kulczyk Holding	EUR 18m

› (December 17th) Pekaes S.A., company listed on WSE, that operates in transport and logistics sectors, has acquired Chemikals from Kulczyk Holding. Chemikals manages train shipment station on the Polish-Russian border and has the biggest and the most modern mass transport handling terminal in the region. Company generates relatively high margins, in 2012 company had EBITDA of PLN 10m, with PLN 36m revenues (28%). Transaction was financed by Pekaes’ own funds.

Target	Bidder	Seller	Value
iSource	ABC Data	AKJ Capital; Accession	EUR 4m

› (December 23rd) IT, software and hardware distributor ABC DATA, has acquired iSource from AKJ Capital and Cypriot companies Accesion II Limited and Accesion II Investment Capital for approx. EUR 3.7m. If specific criteria are matched, deal value is going to increase to EUR 4.3m. iSource is one of the main Apple distributors in Poland. As a result of transaction, ABC Data will widen its offer to include Apple’s products which are relatively high-margin products.

Target	Bidder	Seller	Value
Dayli Polska	Hygienika	TAP Dayli Vertriebs	EUR 6m

› (December 24th) Hygienika has agreed to conditonal purchase of 50% stake (the target is already owned in 50% by the bidder) in Dayli Polska. Hygienika is a company listed on WSE that operates as hygiene products producer. Dayli Polska manages retail network of the grocer’s drugstore. As a result of the takeover in 2014 forecasted Group total revenues are estimated to over PLN 200m. The payment for Dayli Polska is divided into two installments, first of which amounts to EUR 3m that is going to be paid in 45 days after regulatory approval, second, also agreed for EUR 3m, with the deadline in January 2015.