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**M&A Index Poland**

II quarter of 2015

Experts from FORDATA, a leader in the field of Virtual Data Room solutions to support the implementation of complex transactional processes, together with the consulting firm Navigator Capital, monitor thee M&A market in Poland, Europe and the world throughout the whole year. Any gathered conclusions regarding the Polish market are published quarterly within a series of M&A Index Poland reports.

A comment by **Marta Kotwis, Key Account Director from FORDATA,** summarizing mergers and acquisitions in the second quarter of 2015.

**Continued a good trend on the Polish transactional scene**

The second quarter of 2015 on the Polish transactional scene **is a continuation of a good trend initiated at the end of 2014**. In total, in the period from April to June there were 54 transactions, which is a 10% increase compared to Q1 of 2015 and **68% increase compared to Q2 of 2014**. The object of the acquisitions were mainly companies from the media, telecommunications and IT sectors. PE/VC Funds were dominant among buyers (up to 20% of all deals). Strategic investors, as well as PE funds were dominant among sellers (31% and 19% of all the transactions accordingly). Abris Capital Partners, Avallon, Enterprise Investors and Resource Partners were among the most active funds.

**Among the transactions with disclosed price, those with a value of less than PLN 100 million were dominant, which confirms a trend that we noticed already in the last quarter of 2014.** A transaction worth noticing is undoubtedly the purchase of shares of Alior Bank by PZU for EUR 396 million and the fact that Enterprise Investors sold AGC Automotive Europe to the Belgian-based automotive glass manufacturer Nord Glass for EUR 80 million.

In accordance with our expectations from the beginning of the year, we can see an increased transaction involvement of FIZ and a large involvement of commercial real estate funds.

A good trend in the number of transactions will certainly continue in the next quarter. **Currently we see an increased activity on the market** which will surely manifest in the amount of closed transactions in Q3 and Q4. In the second half of the year privatization of PKP Energetyka should be concluded and LOTOS does not preclude the sale of subsidiaries.

**Global scene is dominated by large transactions with a great involvement of Western Europe.**

**On the global stage there were significantly fewer mergers and acquisitions in the first half of the year but some spectacular transactions occurred.** One of the biggest was in May this year - the acquisition of the second-largest cable network Time Warner Cable in the USA for USD 78.7 billion by Charter Communications.

Despite the slight weakening in the first quarter of 2015 that we wrote about three months ago (global declines at the level of approx. 30% of both value and the number of transactions), in total, in the first half of this year, the value of transactions increased by 8% and their number decreased by 11% compared to Q4 of 2014.

**Undoubtedly the success of the entire market was mostly due to the Western Europe.** In total, during the first half of this year, this region had the highest value of transactions since 5 years, which **resulted in increase of almost 60% compared to the first half of 2014**. The value of transactions of this region accounted for almost 30% of the total in the world. The number of transactions also increased, although on a lower level – compared to the first half of 2014, only by 5%.

**CEE still struggling, the best - Poland and Slovakia**

Since the beginning of 2015, within the CEE, **a trend of decline has been noticeable.** **As in Q1, both the number and value of transactions declined.** The largest decreases were registered in the value of transactions – up to 60% in the first half of 2015 compared with the second half of 2014. The number of transactions fell by about 40%. In the region Russia is doing very well (if it is counted as the CEE), but also Slovakia and Poland are doing well.

**Increasingly widespread use of VDR system**

We can observe a continuing trend of using Virtual Data Room system during transactional processes. Available data shows **that in Q2 2015, 17 out of 54 transactions were conducted with the use of Virtual Data Room (VDR) (which is 13% more than in Q1 2015)**. One of the companies which did disclose their use of VDR was PE Fund Enterprise Investors, which sold NordGlass Group, a leading European producer of windscreens for the automotive sector. According to Grzegorz Łajca, CEO of NordGlass “*the use of dedicated FORDATA VDR tool increased the efficiency of the shares selling process*".

**About the author:**

**FORDATA** (formerly 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, 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 30 billion. We cooperate with market leaders, including largest advisory companies, banks, legal advisors or Private Equity/Venture Capital funds, ie. Enterprise Investors, NFI Empik, ZELMER, DNB Bank, BOŚ Bank, Budimex, DM PKO BP, Deloitte, PwC, Ernst&Young, KPMG, Śnieżka, Enea, JSW, Espirito Santo Investment Bank and many others.

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