

## REGIONAL REPORTS

# INDUSTRY EXPERTISE WITH LOCAL KNOWLEDGE

**T**he crisis is ending, there is light at the end of the tunnel, financing is back, say advisers, describing the attractions of making acquisitions in Central and Eastern Europe, a region that lost favour with investors in 2009.

As always, there are distinct differences across Central Europe: Turkey is returning to its near double-digit GDP growth rates, Poland's economy remains supported by domestic consumption, while the Western Balkans "need to attract investment".

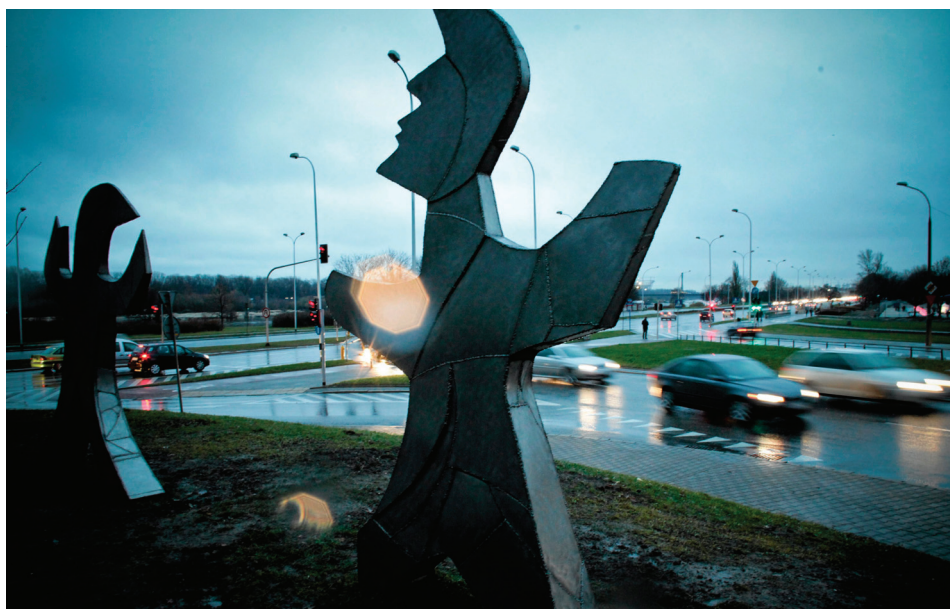
Among the most active sectors in 2010 has been TMT, including exits by private equity funds and post-crisis consolidation of mobile and cable assets.

Raiffeisen Investment AG is one of Austria's leading M&A investment banks. As an entity of the Raiffeisen Banking Group it is able to benefit from the banking network of Raiffeisen in Central and Eastern Europe. RIAG itself has subsidiaries and offices in Austria, Bulgaria, Poland, Romania, Ukraine, Russia, Serbia, Turkey, Hungary, the Czech Republic and Montenegro.

Raiffeisen Investment offers a unique set-up to its clients. In its international headquarters the firm employs professionals with long-standing track records in M&A in London, New York and Frankfurt. In addition, Raiffeisen Investment has built up specialised industry sector teams serving many international firms.

The firm closed some 20 deals with a total deal value of €8.55bn in the period from January to September 2010 and are working on about 60 mandates. In the first half of 2010 the firm was able to complete ambitious transactions in Turkey and in Russia.

Raiffeisen considers itself a niche player, focus on combining industry expertise with local knowledge to structure and execute



complex deals in South and Central and Eastern Europe.

The firm provided buy-side advice to BC Partners on the acquisition of FutureLab. The transaction was already in the market in early 2008 but collapsed in late 2008 due to the financial crisis and the price expectations of the sellers not being met.

In March 2009, the target was introduced by Raiffeisen to its client BC Partners, which was not involved in the initial sell-side process in 2008. The deal was one of the biggest LBO transactions in Europe in 2009 with a net debt/Ebitda ratio of around 4.0x. At a time of extreme financing constraints (the peak of liquidity crises of banks), Raiffeisen was able to arrange financing for BC Partners.

The acquisition of FutureLab enabled BC Partners – together with the parallel acquisition of a minority stake in German Synlab

GmbH and of two Italian laboratories later on – to create the leading pan-European provider of laboratory diagnostics services.

The firm also has a sell-side advisory mandate together with Lazard and McKinsey to the Privatisation Administration of Turkey on the privatisation of electricity distribution companies. The mandate covers the privatisation of 19 companies over a number of years.

This is the first ever multi-stage simultaneous privatisations process of a complete industry segment. This approach led to competitive pricing as investors that didn't win the first tender on one of the auction days had an increasing interest to bid more aggressive on the second or third tender on the same day. The fact that the final auction was televised further contributed to success for the privatisation agency.



Central Europe M&A adviser of the year:  
**Raiffeisen Investment**