

PRESS RELEASE

Raiffeisen Investment AG advises on the acquisition of the Croatian AE&E subsidiary „AE&E Duro Dakovic TEP“ and executes the whole sale process of the leading Croatian value-added postal services provider „City Ex“

- Raiffeisen Investment persuades Croatian clients with professional M&A advisory services on both, on the sell- and on the buy-side
- RIAG was awarded with another mandate on the acquisition of a company in CEE by EMAlliance
- Further deals in the SEE region including Croatia are in the pipeline
- The estimated deal value of the Croatian M&A market in the fiscal year 2011 is EUR 2.5bn

Vienna, 1 June 2011. Raiffeisen Investment AG (RIAG) is currently operating in the M&A sector with a special focus on the SEE region, particularly in Croatia, where RIAG was able to recently close two projects on the ground, one as adviser on the sell-side and another on the buy-side.

Acquisition of the Croatian subsidiary AE&E closed within three months

On 24 February 2011 the purchase agreement between PJSC EnergoMashinostroitelny Alliance (EMAlliance), one of the biggest Russian engine producing companies, and the Croatian AE&E subsidiary AE&E Duro Dakovic TEP, a Croatian boiler manufacturer, was signed. The plant engineering division AE&E is a wholly-owned subsidiary of the insolvent A-Tec holding. The closing of this transaction took place on 8 March 2011. RIAG jointly with Raiffeisen Bank Russia advised on the buy-side and was able to execute with success the entire transaction process, from the underwriting of the mandate to the conclusion of the transaction, in just three months. "The satisfaction of EMAlliance with the consultancy service of RIAG is evident as a subsequent mandate on the preparation and the execution of a takeover in Central Eastern Europe has been awarded", says Mr. Martin Schwedler, member of the board at RIAG.

Raiffeisen Investment AG provides important investors access to the Croatian market

Raiffeisen Investment from Austria, Raiffeisenbank Austria d.d. from Croatia and Savoric & Partners have coordinated the whole sales process of "City Ex" as consultants to Digital Komunikacije, the leading and largest group in integrated market communications in Croatia. They structured the whole transaction process and managed the relationship with potential investors. "The good and close relationship of Raiffeisen Investment AG and Raiffeisenbank Austria d.d. from Croatia to the investors played a significant role in the sale process, which in the end resulted in the entrance of one of the most significant investment funds into the Croatian market, emphasises Wolfgang Putschek, also member of the board at Raiffeisen Investment.

In April 2011, Bancroft, Digital Komunikacije and other shareholders of CityEX, the leading and fast growing Croatian value-added postal services provider, have signed an agreement, pursuant to which Bancroft will acquire 100% of CityEx d.o.o. The closing took place on Thursday, 19th of May, 2011. City Ex has 36 locations in 30 cities across Croatia. It has over a

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thousand employees, delivering more than a million parcels and 60 million documents annually. Bancroft is a leading mid-market private equity fund manager focused on Central and Eastern Europe and Turkey. Since the launch of its first fund in 1996, Bancroft has invested in 17 companies including City Ex.

Croatia as a future market in the M&A sector

Experts estimate that the Croatian M&A market will reach a total value of 2.0 to 2.5 billion Euros by the end of 2011, mainly in the Industrials, Agricultural and Consumer Goods sectors. "Raiffeisen Investment AG is confident to be part of further major deals in Croatia in 2011", Mr. Wolfgang Putschek says. Currently RIAG advises on 20 active projects in the SEE region including Bulgaria, Rumania as well as the Western Balkan region including Croatia, and has 10 other projects in the pipeline.

About us

Raiffeisen Investment AG (RIAG) is one of the leading investment advisers for Mergers & Acquisitions (M&A) in Austria and CEE. RIAG has local branches in 11 CEE countries and ensures expertise and market knowledge in the region with local teams. The combination of regional know-how and global expertise grants the ideal base for excellent advice. An exclusive agreement with Lazard, one of the world's largest investment advisers, strengthens the Raiffeisen Investment AG and provides the ability to handle large deals within their network.

Raiffeisen Investment AG advises international companies and organizations as well as governments in the field of investment banking and financial consultation. Since its foundation in 1993, Raiffeisen Investment AG has been able to successfully complete more than 500 transactions for their clients.

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