

M&A REPORT

M&A overview in the Czech Republic



2015

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Martin Krejci
Director of Investment Division

Dear readers,

Investment and Business Development Agency CzechInvest has prepared a new M&A issue of the fourth quarter of 2015, including overview of the whole successful year. What you can find more is Mergermarket insight focused on 2015 and introduction of CzechInvest M&A platform, project CzechLink.

We wish you pleasant reading.

CzechInvest

Methodology

The statistical data prepared by CzechInvest and used in this report were drawn from the Trade Bulletin. Due to this fact, a time lag occurs between the announcement and the listing of a transaction; such time lag differs from case to case. Also, a large number of transactions were carried out for tax-optimisation purposes.

The number of transactions consists only of merger and acquisition transactions of companies, whereas transactions involving the dividing of companies are excluded. The final sector to which a particular transaction is assigned is determined according to the successor company.

The higher volumes reported in comparison to Mergermarket are caused by the nature of the Trade Bulletin, which publishes all changes in companies' structure that must be reported. The larger numbers of transactions in the real estate sector are due to tax optimisation when using a corporate ID. Also, the Trade Bulletin does not cover acquisitions through trading of shares.

Sources used in the report: Internal sources, Trade Bulletin, Patria.cz, Hospodářské noviny, Investicniweb, E15, Dealogic, Mergermarket Monthly M&A Insider, Allen & Overy M&A Insight, Zephyr Monthly M&A Report, Bloomberg, Reuters, StreetInsider, MarketWatch, Weinhold Legal, Lidové noviny, ČTK.

Interpretation of the data is based on CzechInvest's expertise.

2015 OVERVIEW

M&A worth USD 4.9 trillion overall in 2015

calculated by experts from the analytic firm Dealogic

Back in the pre-crisis years

in number of deals on the M&A worldwide market

M&A Worldwide

Worldwide, mergers and acquisitions worth USD 4.9 trillion were carried out last year. This sum, which was calculated by experts from the analytic firm Dealogic in London, is nearly 40 % higher than in 2014. It also broke the previous record set in the pre-crisis year of 2007, when the total value of M&A transactions reached USD 4.5 trillion. The 2015 year saw the announcement of ten deals in the value of USD 50 billion or more, with their aggregate value reaching USD 800 billion. Primarily activities in the healthcare¹ and technology sectors were significant in 2015, with deals in the total value of more than USD 700 billion.

It may seem somewhat peculiar that the global M&A market set a new record in a year when two key economic regions – North America and Europe – grew only sluggishly and Asia as a whole incurred a perceptible slowdown. There are numerous differences between the record-setting year of 2015 and the pre-crisis year of 2007. First, the global share of M&A transactions on the market in Europe declined from 42 % in the past to 23 % this year and, conversely, there was a sharp rise in North America, where more than half of all corporate mergers were carried out. Seven out of ten of the most valuable deals involved American companies, two firms in the United Kingdom and one company in Hong Kong.

Top 10 announced M&A transactions 2015YTD

Announced Date	Completion Date	Deal Value \$bn	Acquiror	Target	Target Nationality	Target Industry
23-Nov-15	Pending	160,0	Pfizer	Allergan	United States	Healthcare
7-Oct-15	Pending	117,4	Anhauser-Busch InBev	SABMiller	United Kingdom	Food & Beverage
8-Apr-15	Pending	81,5	Royal Dutch-Shell	BG	United Kingdom	Oil & Gas
26-May-15	Pending	79,6	Charter Communications	Time Warner Cable	United States	Telecom
11-Dec-15	Pending	68,6	Dow Chemical	Du Pont	United States	Chemicals
12-Oct-15	Pending	66,0	Dell	EMC	United States	Technology
25-Mar-15	2-Jul-15	62,6	HJ Heinz	Kraft Foods	United States	Food & Beverage
20-Jun-15	Pending	55,2	Anthem	Cigna	United States	Healthcare
22-Jun-15	Pending	55,0	Energy Transfer Equity	Williams Companies	United States	Oil & Gas
9-Jan-15	3-Jun-15	53,1	Cheung Kong (Holdings)	Hutchison Whampoa	Honk Kong	Holding Companies

Source: prnewswire.com

The wave of mergers and acquisition was due to very low interest rates around the world, as well as to the effort of companies to strengthen or at least maintain their market position in the face of strong competition. The record value of M&A transactions this year was supported by low capital costs, low oil prices and stronger dollar. Management teams thus had large amounts of cash available and sought new opportunities for growth. This trend will probably continue in future.

M&A in the CEE region

The region of Central and Eastern Europe (CEE) was very successful in 2015 in terms of the volume of mergers and acquisitions. Investors from China have shown growing interest in investing in firms in the CEE region. The most attractive countries with a developed M&A market were the Czech Republic and Poland. According to estimates, the Czech Republic's economy grew 4 % to 4.5 % in 2015. In Poland, estimated GDP growth amounted from 3.5 % to 3.7 %. These countries still represent further growth potential for foreign investors.

The Czech Republic and Poland still popular

in number of deals on the M&A worldwide market

¹ Pfizer is a regular contributor to the list of major mergers and acquisitions. Of the twenty biggest pharmaceutical deals, Pfizer undertook six of them.

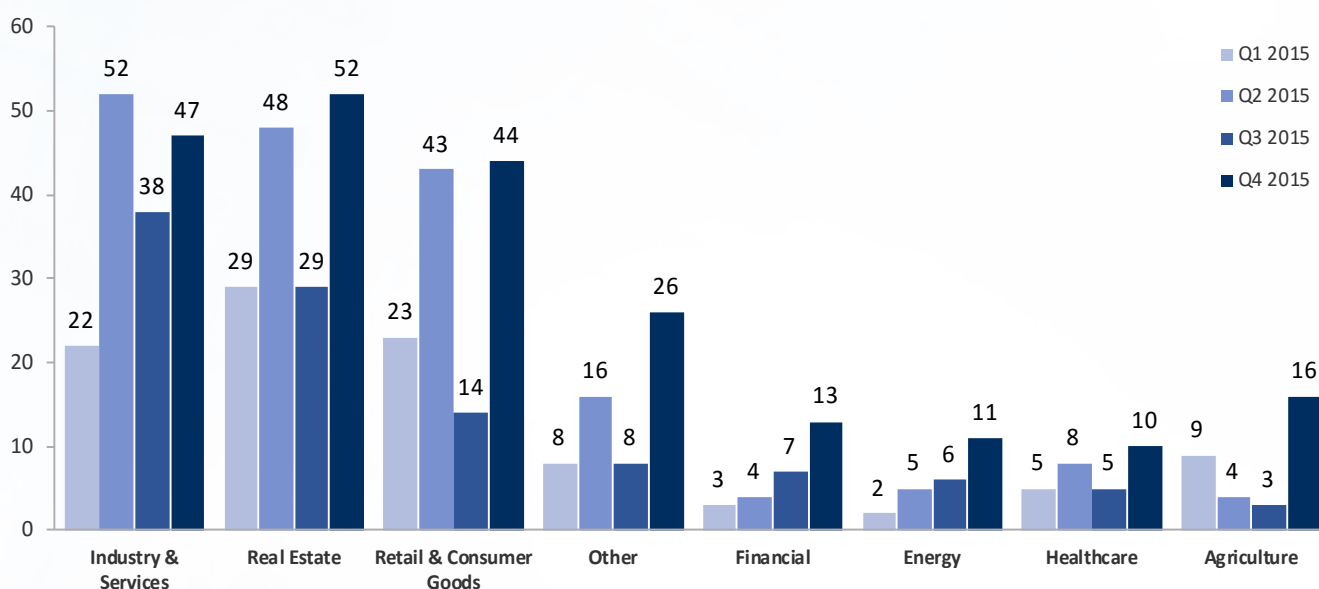
610

number of listed M&A projects according to the Trade Bulletin in 2015 YTD

M&A in the Czech Republic

M&A transactions were concluded across all sectors in the Czech Republic last year. A total of 610 M&A deals² were concluded in 2015, representing 17% growth in comparison with the previous year. The largest number of deals, specifically 159, were concluded in the industrial sector, while the real estate sector accounted for nearly the same number (158). The third most active sector was retail, with 124 M&A transactions. In comparison with the whole year 2015, unprecedentedly strong activity was recorded in the agriculture, financial and energy sectors. The most active quarters in 2015 were Q2 and Q4 in almost all sectors.

Numbers of M&A transactions by sectors 2015 YTD



Source: CzechInvest 2015; Trade Bulletin, data of 31th December 2015

Besides affordable bank (acquisition) financing, the ample number of M&A transactions in the Czech Republic in 2015 is also due to the activities of private investors from the ranks of affluent, successful entrepreneurs who invest in fields that are new to them across sectors rather than those in which they have previously done business. In 2015 deals were also carried out by companies that were previously unable to obtain acquisition financing; this led to the consolidation of sectors. Another reason is the ongoing intergenerational changes in firms, which will cause approximately one-third of smaller Czech firms to change owners in the coming years.

² This figure is reported according to CzechInvest's methodology.

Q4 Overview

Time period	Total number of transactions
Q4 2015	219
Q3 2015	110
Q2 2015	180
Q1 2015	101
Q4 2014	166

Czech Republic

The last quarter of 2015 was unambiguously the strongest period for M&A transactions and thus confirmed the global trend. Unprecedentedly strong activity was observed in all sectors, especially in agriculture, healthcare, energy and retail, consumer goods & entertainment. The largest number of M&A transactions in Q4 2015 were in real estate, while the industrial products and services sector maintained its traditional strength.

Q4 2015 in Numbers

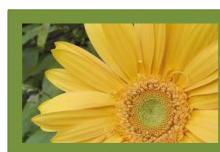
47 Industrial Products & Services



10 Healthcare



16 Agro & Raw Materials



11 Energy



44 Retail & Consumer Goods & Entertainment



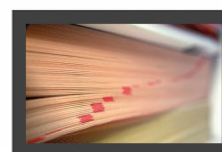
13 Financial Institutions



52 Real Estate



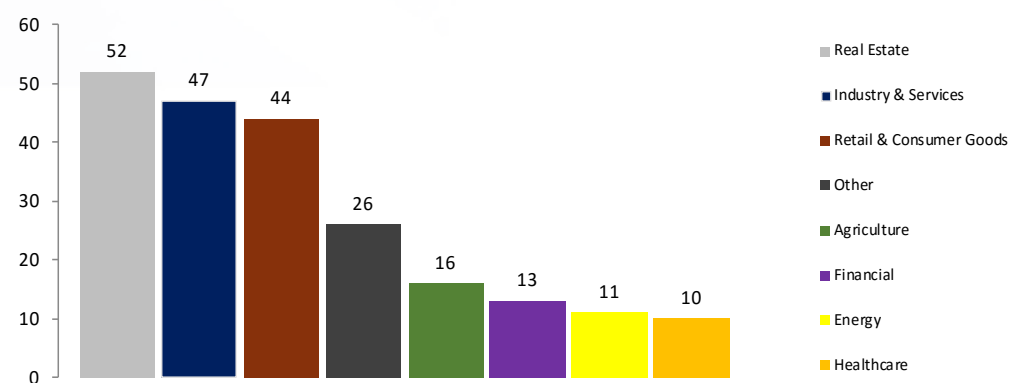
26 Other



Source: CzechInvest 2015; Trade Bulletin, data of 31st December 2015

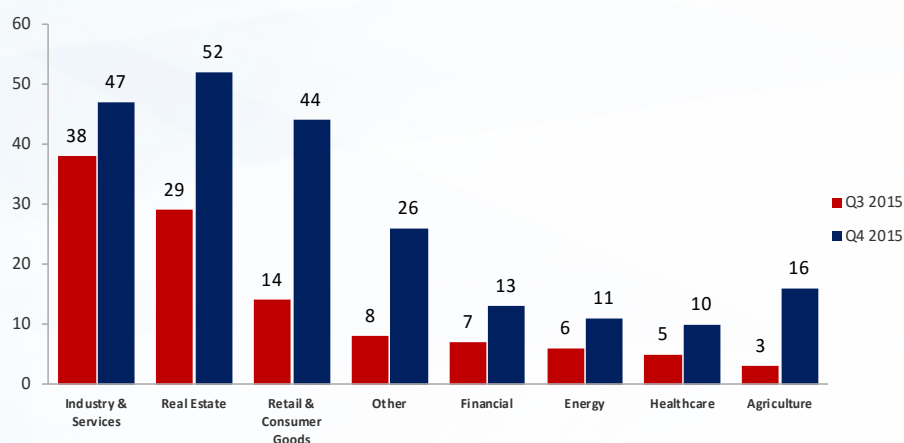
The total number of transactions reached 219. Quarter-on-quarter and year-on-year growth was significant, as there were two times more transactions in comparison with Q3 2015 and 31 % more transactions in comparison with Q4 2014.

Number of M&A transactions by sectors Q4 2015



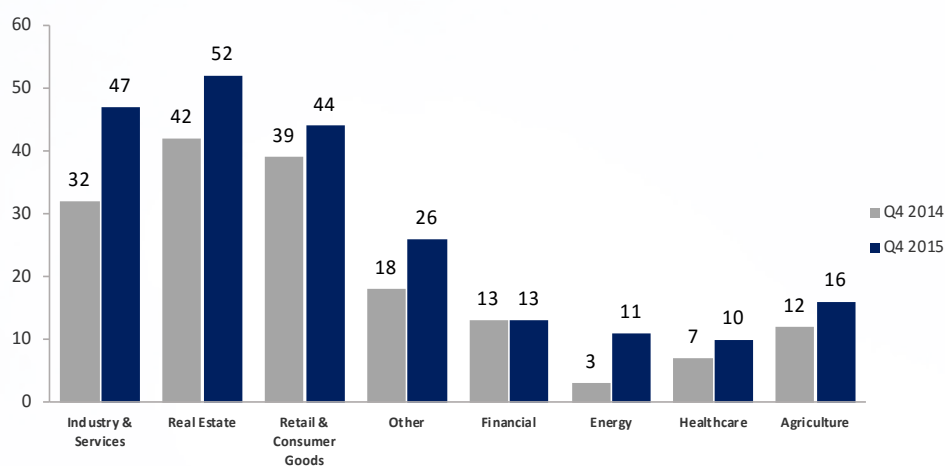
Source: CzechInvest 2015; Trade Bulletin, data of 31st December 2015

Number of M&A transactions Q4 2015 compared with Q3 2015 by sectors



Source: CzechInvest 2015; Trade Bulletin, data of 31st December 2015

Number of M&A transactions Q4 2015 compared with Q4 2014 by sectors



Source: CzechInvest 2015; Trade Bulletin, data of 31st December 2015

Percentage change by Sectors

Sector	Q4 2015 vs. Q3 2015	Q4 2015 vs. Q4 2014
Industry & Services	24%	47%
Real Estate	79%	24%
Retail & Consumer Goods	214%	13%
Other	225%	44%
Financial	86%	0%
Energy	83%	267%
Healthcare	100%	43%
Agriculture	433%	33%
Total	98%	31%

Source: CzechInvest 2015; Trade Bulletin, data of 31st December 2015

29 Real Estate



38 Industrial Products & Services



14 Retail & Consumer Goods & Entertainment



M&A activities in the Czech Republic by sectors in Q4 2015

The most active sector in Q4 2015 was **REAL ESTATE**, in which a total of 52 M&A transactions were carried out, representing growth of nearly 80 % in comparison with Q3 2015 and 24 % in comparison with Q4 2014. However, the number of deals mostly involved smaller deals.

The biggest deal in the real estate sector was carried out by **CPI Property Group**, which at the end of December 2015 acquired **Gerosa – JMB, a.s.** (formerly the cooperative Jednota Moravské Budějovice). The value of the transaction was **EUR 38.38 million** (approx. CZK 1 billion).

As in past years, the **INDUSTRIAL PRODUCTS & SERVICES** sector was also very active, with a total of 47 transactions representing a 25% quarter-on-quarter increase and 50% year-on-year increase in the Activity in the start-up segment of the ICT sector was interesting. The multinational supercomputer centre **IT4Innovations** became a member of the **Intel Parallel Computing Centre** (Intel PCC) group and, at the same time, received a research grant from Intel. A group of investors led by **Credo Ventures** invested **EUR 2.1 million** (CZK 57 million) in the Slovak start-up **Photoneo**, which is focused on 3D object imaging at the frequency of 60 fps. The Brno-based start-up **Skypicker** acquired a 50% share in the **Unifer** project focused on bringing large firms and students together.

The most significant and the largest transaction in the industrial sector of Q4 2015 occurred in the rubber industry. The multinational group **Trelleborg** (SWE) signed an agreement on taking over the Czech rubber company **ČGS HOLDING a.s.**, to which the companies Mitas, Rubena and Savatech belong. The most important company is Mitas, which accounts for more than two-thirds of the rubber group's revenues of EUR 620 million (CZK 17 billion) in total. Trelleborg is thus set to become the world's number-one producer of tires for agricultural machines. Furthermore, due to this transaction Trelleborg is gaining modern factories, including one in the United States, and simplifying its path to the important Russian market. The total value of the deal is **EUR 1.15 billion** (CZK 31.4 billion), making it the 3rd most expensive acquisition of 2015 in the Czech corporate environment. Conclusion of the deal is subject to approval by the relevant authorities. It could be completed in the first half of 2016.

Another very active M&A sector in comparison with Q3 was **RETAIL, CONSUMER GOODS & ENTERPRISE**, with q/q growth of 214 % and a 13% increase in comparison with Q4 2014.

The Norwegian group **Orkla** (NOR) purchased the Moravian company **Hamé s.r.o.** for **EUR 175 million** (CZK 4.7 billion). This was one of the biggest deals in the history of the Czech food industry, though it is still awaiting approval from the antimonopoly authorities. Orkla already owns another food producer in the Czech Republic, **Vitana a.s.**, and is becoming one of the biggest players in the food industry in Central Europe. This should also help the firm to penetrate the Russian market, which accounts for 13 % of Hamé's revenues, making it the company's third most important market behind the Czech Republic and Slovakia.

One of the biggest deals of recent years in the Czech retail sector was undertaken by the Czech investment group **Rockaway Capital**, which at a cost of **EUR 200 million** (CZK 5.4 billion) purchased a 100% share in **Netretail Holding B.V. (ZAF)** from the South African concern **Naspers (ZAF)**, thus obtaining the second biggest e-shop in the Czech Republic, **Mall.cz**, and the price-comparison website **Heureka.cz**. **Rockaway Capital** also took part in the acquisition of the **CZC.cz** electronics e-shop.

Several other major deals were carried out in the retail sector. The leading Czech manufacturer of air-handling equipment, **Multi-Vac**, sold its wholesale division to the French company **France Air (FRA)**, which had decided to expand (it had previously undertaken an acquisition in **Anglo**, for example). Production will remain with the original Czech owners, with plans to invest the profit from the transaction in the further development of the company's production of air-handling equipment.

6 Energy



The **ENERGY SECTOR** was unusually active in the area of M&A with a total of eleven transactions representing 83% quarter-on-quarter growth and nearly triple the number of transactions in a year-on-year comparison.

The Czech group **Energetický a průmyslový holding a.s.** signed an agreement on the purchase of a two-thirds share in **Slovenské elektrárny a.s.** from the Italian firm Enel (ITA). The total value of the transaction will amount to approximately **EUR 800 million** (more than CZK 21 billion). The transaction will be carried out in two phases and its final value could still change based on the agreed conditions. The deal is also subject to approval by the antimonopoly authorities. EPH is thus strengthening its position on the market.

ČEZ Nová energetika, a.s., acting under the trade name Inven Capital, acquired a minority stake in the German firm **Sunfire GmbH** (GER), a manufacture of fuel cells which can convert fuel such as natural gas into electricity and heat, and electricity into hydrogen and other gases. ČEZ has not made public the cost of the transaction or the size of its share. Together with Inven Capital, the development funds of the French companies **Total** and **EdF** and the German national development bank **KfW** also invested in the firm.

In the alternative energy supply sector, **Bohemia Energy entity s.r.o.** acquired a 100% share in **Europe Easy Energy a.s.**, thus adding 45,000 electricity and gas consumers to its existing half million customers. The combined market share will not exceed 15 % and the transaction was therefore approved by the OPC. Bohemia Energy entity s.r.o. is part of the Bohemia Energy group, which also contains Comfort Energy and Slovakia Energy (the largest alternative energy supplier in Slovakia).

EP Energy Trading purchased the Prague-based firm **Optimum Energy**. Both firms supply electricity and gas to consumers. EP Energy Trading is part of the EP Energy group, which is the most significant supplier of heat and the second biggest producer of electricity in the country. It supplies electricity and natural gas to households, companies and bulk purchasers in the Czech Republic and Slovakia. In August the company had a total of 25,829 customers and the acquisition of Optimum Energy will add an additional 14,000 to that figure.

The general meetings of **Unipetrol RPA, s.r.o.** and **Benzina, s.r.o.** approved the merger of these two companies. This involves a merger of two subsidiaries of the petrochemical holding company Unipetrol, whereas the Benzina brand will be preserved. By undertaking this step, Unipetrol expects to achieve savings, a simpler structure and improvement of operating efficiency on the very demanding domestic market.

Via its subsidiary **Českomoravská energetika s.r.o.**, the Unicapital financial group acquired a 100% share in the Chomutov-based electricity distributor **LDS Sever, spol. s r.o.** at a cost of nearly **EUR 4.8 million** (CZK 130 million). The latter's customers include, for example, the Z-Group steelworks and the Czech branch of Sandvik, a Swedish manufacturer of pipes for offshore oil extraction. For Unicapital, this is a continuation of a series of acquisitions in the total value of roughly EUR 37 million (CZK 1 billion).

Office for the Protection of Competition approval

The OPC approved the plan of **Moulins de Kleinbettingen S.A.** (LUX) to purchase a majority share in Bakeries International Luxembourg S.A. (LUX), which operates in the Czech Republic via **United Bakeries a.s.**, the leading bakery group in Central Europe, established through the merger of the largest Czech groups, Delta Pekárny and Odkolek.

The OPC also greenlighted the purchase of 18 Czech stores of **Baumax ČR** by the Polish chain **Merkury Market** (POL) via BM Česko. Baumax is leaving the Czech Republic, where in the past five years it has been in loss, primarily due to its unsuccessful expansion to markets in Eastern Europe. The Polish group should take over 18 of the 24 Baumax stores in the Czech Republic. The other investor could be the German chain of hobby markets **OBI** (GER), which has already announced that it is preparing to take over roughly two-thirds of Baumax's 105 stores in Austria, the Czech Republic, Slovakia and Slovenia.

The OPC approved **E-commerce Holding's** purchase of a 35% share in CZC.cz and the takeover by **Raiffeisenbank a.s.** of the retail part of **Citibank Europe plc.**



Mergermarket Insight

2015 Czech Republic Overview

M&A deal volume in the Czech Republic reached EUR 5.9bn in 2015, a fall of 12% compared to 2014. However the number of disclosed transactions, 82, was slightly up on the previous year, according to Mergermarket statistics. In Q4 alone the number of completed transactions, 22, was exactly the same as Q1 and Q3.

Succession issues, easy access to bank financing for buys and a healthy appetite from foreign investors as well as a strong economy, and importantly economic stability, were all factors which helped boost deal flow over the year, advisers say.

Comparison of number of deals by the years in the Czech Republic

Period	Value (EUR m)	Deal count	Difference	
			Value (%)	Deal count
2014	6 657	82	-12,0%	1
2015	5 858	83		

Source: Mergermarket 2015

Three large transactions accounted for two thirds of the total deal volume. These were the EUR 1.7bn spinoff of telecom infrastructure operator Ceska telekomunikacni infrastruktura from telecom company O2 Czech Republic, the EUR 1.2bn sale of a 24% stake in insurer Generali PPF to Assicurazioni Generali SpA of Italy and the EUR 1.1bn sale of tyre and rubber products manufacturer CGS Holding to Swedish company Trelleborg. Another interesting cross-border deal in the Top 10 was the sale of Czech food producer Hame to Orkla of Norway.

Of the Top 10 largest deals in 2015, five buyers were from Western Europe, one from China and four were Czech companies or individuals. Almost one third of the foreign buyers were from Germany, accounting for 10 of the 33 cross-border transactions. The United States and the Netherlands each accounted for seven of the buyers. Five buyers were from Slovakia and three from Sweden.

Most active bidders in 2015

Country	2015	
	Value (EURm)	Deal count
Germany	3 770	10
Italy	1 246	1
Sweden	1 192	3
USA	840	7
Netherlands	759	7
Slovakia	510	5
Total	8 317	33

Source: Mergermarket 2015

According to several advisers, the strongest interest from foreign investors is coming from Western Europe and to a lesser extent Asia, including South Korea. Asian investors are particularly interested in the industrial sector.

The industrial and chemical sector was by far the most active in 2015. This accounted for 21 of the 82 disclosed deals, which was significantly more than a year earlier. Some of the Czech industrial companies sold also included Miconex to Ultra Clean Holdings of the United States, Impromat CZ to Japanese company Ricoh and Jihlavan to Czech Aerospace Industries.

The next three most active sectors were consumer and technology, followed by energy, mining and utilities. Energy, telecom, the industrial, business services and consumer sectors are among those expected to be particularly active in terms of M&A in 2016.

Katka Krosnar

Deals by Sector in Q2 2015

Sector	2015			2014			Change	
	Value (EURm)	Market share	Deal count	Value (EURm)	Market share	Deal count	Value (%)	Deal count
Technology	1 897	32,4%	8	752	11,3%	6	152,3%	2
Financial Services	1 802	30,8%	6	111	1,7%	5	1523,2%	1
Industrials & Chemicals	1 269	21,7%	21	341	5,1%	15	272,0%	6
Telecommunications	306	5,2%	2	1 071	16,1%	2	-71,4%	0
Consumer	286	4,9%	9	258	3,9%	13	10,9%	-4
Energy, Mining & Utilities	161	2,7%	7	1 187	17,8%	9	-86,4%	-2
Construction	55	0,9%	4	5	0,1%	4	990,9%	0
Other	81	1,4%	26	2 932	44,0%	28	-97,2%	-2
Total	5 857		83	6 657		82		

Source: Mergermarket 2015

Top Deals of Czech M&A Transactions in 2015

Announcement date	Target	Target dominant sector	Bidder	Bidder dominant geography	Seller	Seller dominant geography	Deal value (EURm)
27.II.15	Ceska telekomunikacni infrastruktura as	Telecommunications	O2 Czech Republic (Shareholders)	Czech Republic	O2 Czech Republic	Czech Republic	1 699
16.I.15	Generali PPF Holding BV (24% Stake)	Financial Services	Assicurazioni Generali SpA	Italy	PPF Group NV	Netherlands	1 246
09.XI.15	CGS Holding as	Industrials & Chemicals	Trelleborg AB	Sweden			1 161
06.VII.15	J&T Finance Group, AS (24% Stake); J&T Private Equity BV (9.9% Stake)	Financial Services	Patrik Tkac (Private Investor)	Czech Republic	Istokapital SE; Mario Hoffmann (Private Investor)	Cyprus; Slovakia	500
08.VI.15	Ceska telekomunikacni infrastruktura as (10.17% Stake)	Telecommunications	PPF A4 BV	Netherlands			206
26.X.15	Netretail Holding BV; Heureka cz	Technology	Rockaway Capital SE	Czech Republic	Naspers Limited	South Africa	182
11.XII.15	HAME sro	Consumer	Orkla ASA	Norway	Nordic Partners	Iceland	175
20.V.15	Sokolovska uhelna, pravninastupce as (30% Stake)	Energy, Mining & Utilities	Frantisek Stepanek (Private Investor); Jaroslav Rokos (Private Investor)	Czech Republic	Jan Krouzecky (Private Investor)	Czech Republic	146
03.XI.15	Ceska telekomunikacni infrastruktura as (5.1% Stake)	Telecommunications	PPF A4 BV	Netherlands			101
04.VI.15	Pivovary Lobkowicz Group as	Consumer	A consortium led by CEFC China Energy Co	China	Martin Burda (Private investor); Grzegorz Hota (Private investor)	Czech Republic	96

Source: Mergermarket 2015

CzechLink – M&A Platform

We help companies to find a suitable strategic investor



CzechLink is an M&A platform project managed by **CzechInvest's Sourcing Department** and it is intended for Czech companies seeking a strategic partner or investment. The project is a tool which helps to identify potential M&A targets for foreign investors and thereby supports acquisitions of existing companies and the formation of joint-venture partnerships.

Local companies that wish to participate in CzechLink undergo a business evaluation and financial analysis. The results of the process allow CzechInvest to efficiently match suitable acquisition targets according to the needs of investors.

Investor

- ☐ Register interest and provide necessary information for us to process your query
- ☐ Sign NDA with CzechInvest prior to receiving information memoranda on specific target companies

Target company

- ☐ Small, medium-sized and large enterprises in the manufacturing and IT industries
- ☐ Minimum five-year history, based in the Czech Republic and active in manufacturing or IT sector only
- ☐ Not declared bankrupt or allowed financial compensation or in insolvency proceedings
- ☐ Information about the target is structured in a document to fit the investor's needs

Process

CzechInvest's Sourcing Department organises marketing events. **Regional workshops** are conducted only in the Czech Republic and are intended for new participants – investment targets. **Investment forums** and **roadshows** are conducted around the world where CzechInvest offers CzechLink participants as a suitable investment targets for potential foreign investors.

The List of Investment Targets is provided to the investor on request and it is also available on the CzechInvest website. It is anonymised list of target companies with brief information. The investor can get more information about a particular company in a **Teaser**. An **NDA agreement** is signed in case of very detailed information such as financial analysis and business evaluation. This information is included in a **Prospectus**.



2

New Projects
in Q4 2015

I

Project in Pipeline
by December 31th 2015

23

Active Members
by December 31th 2015

Key benefits

- Qualified assistance service
- Pool of companies actively seeking investors
- Knowledge of the Czech industrial environment
- Involvement of all industrial sectors
- Comprehensive coverage of all regions of the Czech Republic
- Participation in the CzechLink project is **free of charge**

CzechLink quarterly statistics

In the last quarter of 2015 we saw increased interest in the CzechLink project, especially on the part of investors. We registered **more than 50 enquiries** about the project, especially from Germany, Scandinavia, France, South Korea, China and Japan. The industrial sector, particularly **plastics processing, stamping and machining**, was the subject of the largest number of enquiries. In Q4 2015 we signed **4 NDA agreements**.

Current Sectors in CzechLink

- | | |
|---|------------------------|
| -- Machinery, power and heavy machinery | -- Automotive |
| -- Mining machinery and equipment | -- IT |
| -- Mechanical engineering | -- Construction |
| -- Electrical engineering | -- Textile |
| -- Surface treatment | -- Household |
| -- Consumer goods | -- Food & beverages |
| -- Packaging | -- Musical instruments |
| -- Shipbuilding | -- Furniture |

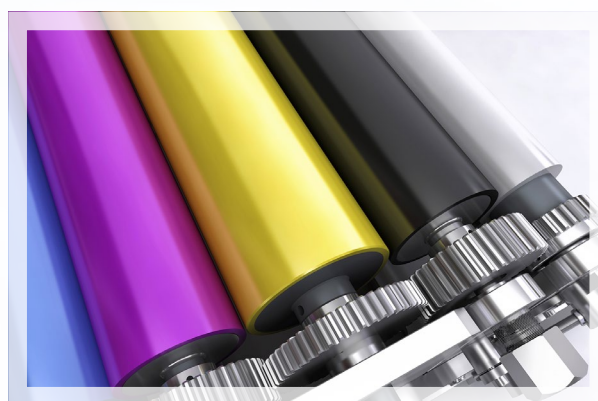
New CzechLink members in Q4 2015

CzechLink registered **two new investment targets** in Q4 2015. One of them operates in the consumer goods industry and focuses on production of consumables for printers such as toner, cartridges and ribbons. The second company operates in the engineering field as a producer and dealer of small construction machines, such as plate compactors, rammers and road cylinders for bituminous surfaces.

CzechLink Participant Profile

Project name: #22

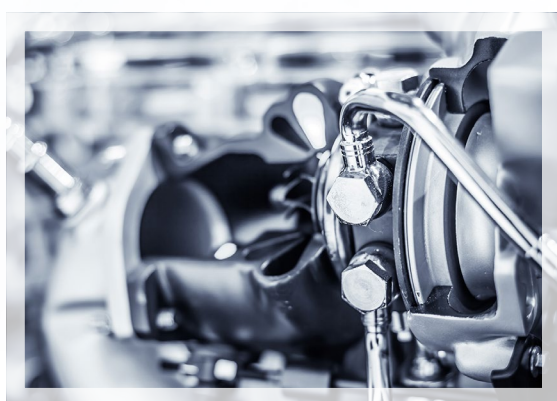
Legal Form	LLC			
Participant Profile	Manufacturer of consumables for printers such as toners, cartridges and ribbons.			
Activity	Production of consumables for printers such as toner cartridges and ribbons. Distribution of toners and printers from China. The company offers the widest range of products in the renovation industry, currently over 2,800 products and services.			
Product	Toners, cartridges and ribbons.			
Key Machines	Special purpose machines such as a powder feeder or packing machines.			
Customers	State authorities, end customers and wholesalers.			
Other Information	The company is a holder of the ISO 9001 certificate valid until 23 August 2018 and ISO 14001 certificate valid until 27 July 2017. The expansion is possible in current premises.			
Economic Indicators (2014)	Headcount	Total Earnings (ths)	EBIT (ths)	EBITDA (ths)
	24	31 270 CZK	502 CZK	2 337 CZK
		1 136 EUR	18 EUR	85 EUR
		1 507 USD	24 USD	113 USD
Equity Offer	Majority/ Minority			



CzechLink Participant Profile

Project name: #23

Legal Form	LLC			
Participant Profile	The main company's activity is development, production and sale of professional construction machinery used on domestic either abroad market.			
Activity	Production of construction equipment, renting of construction machinery and equipment, servicing and repairing of construction machines, sale of spare parts, sale of new and used construction machines of the other brands.			
Product	Manufacturing of the small construction machines - such as wacker plate compactors, tammers and road cylinders for bituminous surface.			
Key Machines	The company is focused on final assembly. It purchases machining and laser burnishing services. It also purchases electronics for larger machines, hydro-motors and hydraulic cylinders. The company purchases internal-combustion engines from Honda or HATZ. The company manufactures welded frames itself and possesses a paint facility.			
Customers	The company's major customers include New Holland (ITA), Toro			
Other Information	Quality of the products and services is secured through the ISO 9001:2008 quality control system. There is no domestic competition. The main competitors are in Germany and China.			
Economic Indicators (2014)	Headcount	Total Earnings (ths)	EBIT (ths)	EBITDA (ths)
	41	107 332 CZK	8 700 CZK	10 020 CZK
		3 898 EUR	316 EUR	364 EUR
		5 174 USD	419 USD	483 USD
Equity Offer	Majority/100 %			



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M&A Report – Background from CzechInvest

Forward shift in services

The global economy has been developing steadily and structural changes in Europe have also been noticed by CzechInvest. The large number of investment projects keep the worldwide trend. New interest in M&A opportunities both from foreign investors and local companies is still on the rise.

CzechInvest has accepted this challenge to assist local companies in their search for foreign capital and to develop new opportunities that will boost the Czech economy, as we believe in the potential offered by the local business environment.

Continued cooperation with Mergermarket

We are proud to continue our partnership with Mergermarket, thanks to which we are able to provide another, very reliable source of data from the M&A environment and offer a comprehensive overview of the current market situation.

CEE – region of interest

The year 2015 brought the long-awaited recovery and increased activity on the M&A market in the CEE region. We saw several megadeals throughout the year as well as mid-sized transactions. The appetite to engage in M&A in 2015 remains strong as companies focus on investing available capital and taking advantage of relatively easily accessible external financing for acquisitions. Although we might witness several large deals this year, M&A activity will most likely be driven by middle-market transactions. The growing confidence in future economic development creates a favourable environment for M&A in Central and Eastern Europe in 2016.

Target area – Czech Republic

The Czech Republic is a relatively small market both in geographical terms and in terms of M&A, where a single large transaction can cause bias in the statistics. Thanks to the country's proximity both to Western and Eastern European markets, foreign investors can find opportunities which are still very close to their operations in Western Europe but at the same time offer expansion into the whole CEE region. The local business and industrial environment is very well developed and offers ready-made solutions for investors.

CzechInvest's Services

- Business intelligence
- Consultancy on available financial support for investment projects (investment incentives, EU structural funds)
- Identification of greenfield and brownfield sites, production facilities and offices
- Identification of potential acquisition, joint-venture and supply partners
- Tailor-made visits to the Czech Republic
- Liaison with government bodies
- Aftercare services

All CzechInvest's services are provided free of charge.

CONTACT INFORMATION

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