

Deloitte.

Fund Managers' Expectations for Private Equity in Central Europe

Results of Survey

September 2005

Audit • Tax • Consulting • Financial Advisory.



The Survey

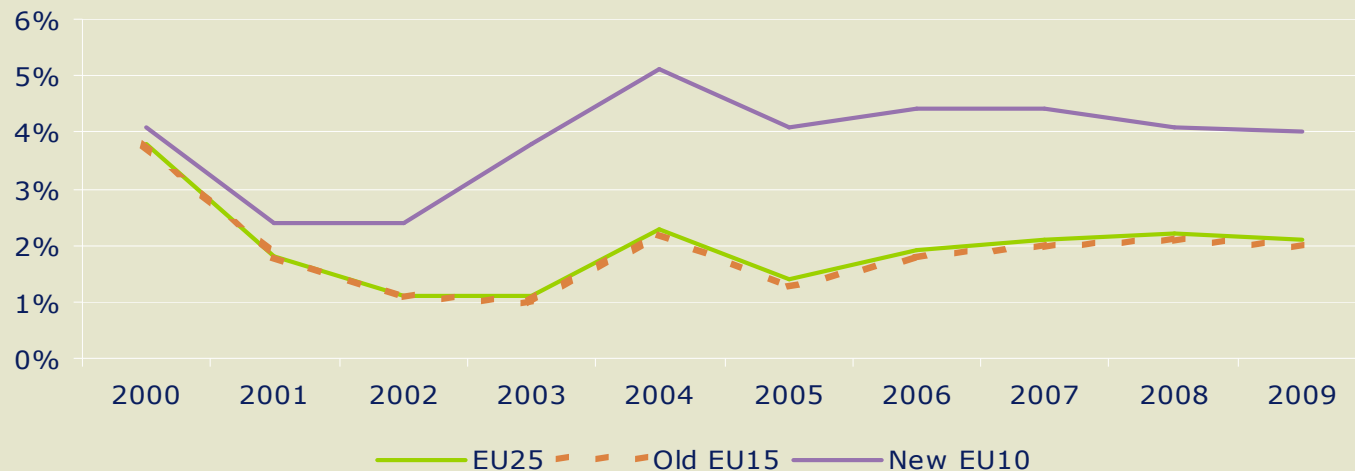
- The Private Equity Confidence Survey is a Deloitte global initiative, which started in 1999
- Deloitte's Central European Private Equity Confidence Survey initiative started in 2002
- The CE Survey covers 16 countries in the region



Economic Climate (I.)

- Economic growth in CEE countries is considerably higher than in the original EU15 countries. However, the EU15 continue to determine the trend of European economic growth

Economic growth



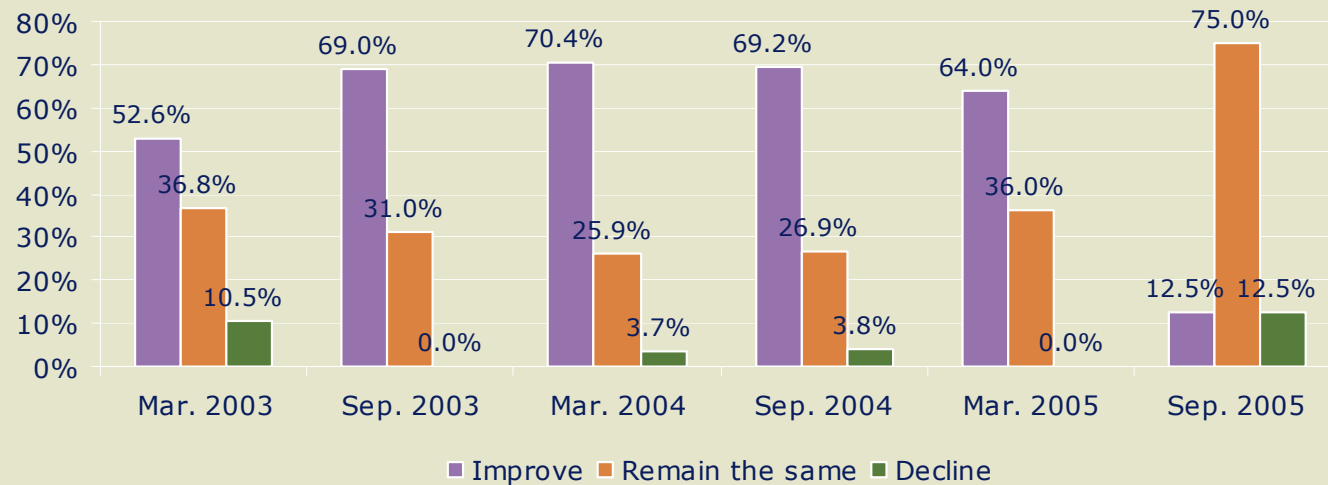
New EU10 comprises of: Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia

Source: The Economist Intelligence Unit – Country Forecast (September 2005)

Economic Climate (II.)

- Due to forecasted economic growth stabilization in the Eurozone as well as in CEE countries, the majority of survey participants expect the economic climate in CEE to be stable in future periods

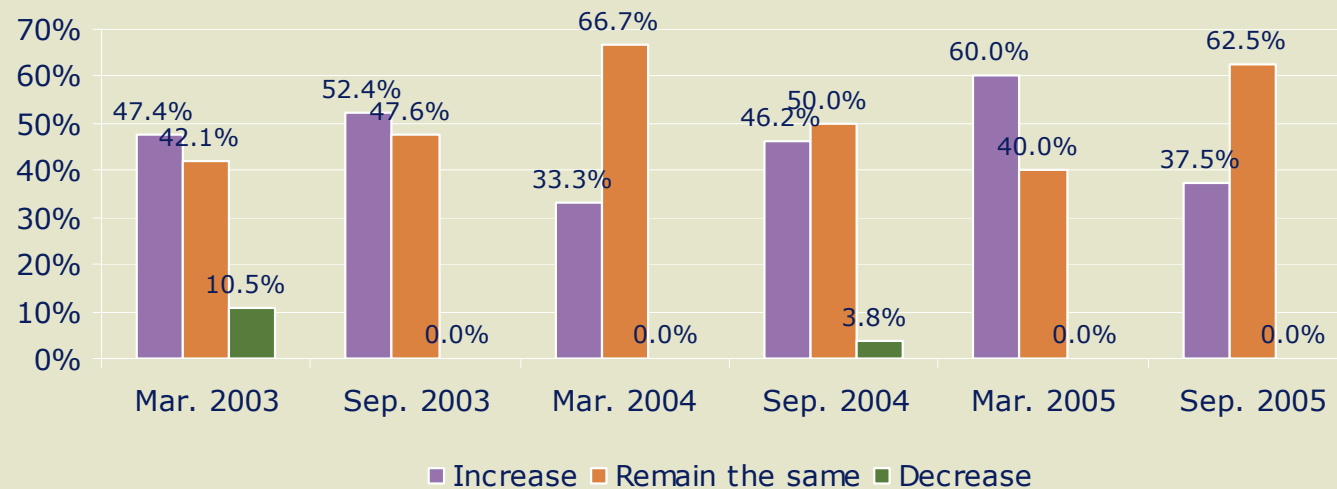
For this period, I expect the overall economic climate to:



Debt Finance (I.)

- Debt finance became available under more reasonable conditions in CE countries; this is driving leveraged deals

For this period, I expect the availability of debt finance to:



Debt Finance (II.)

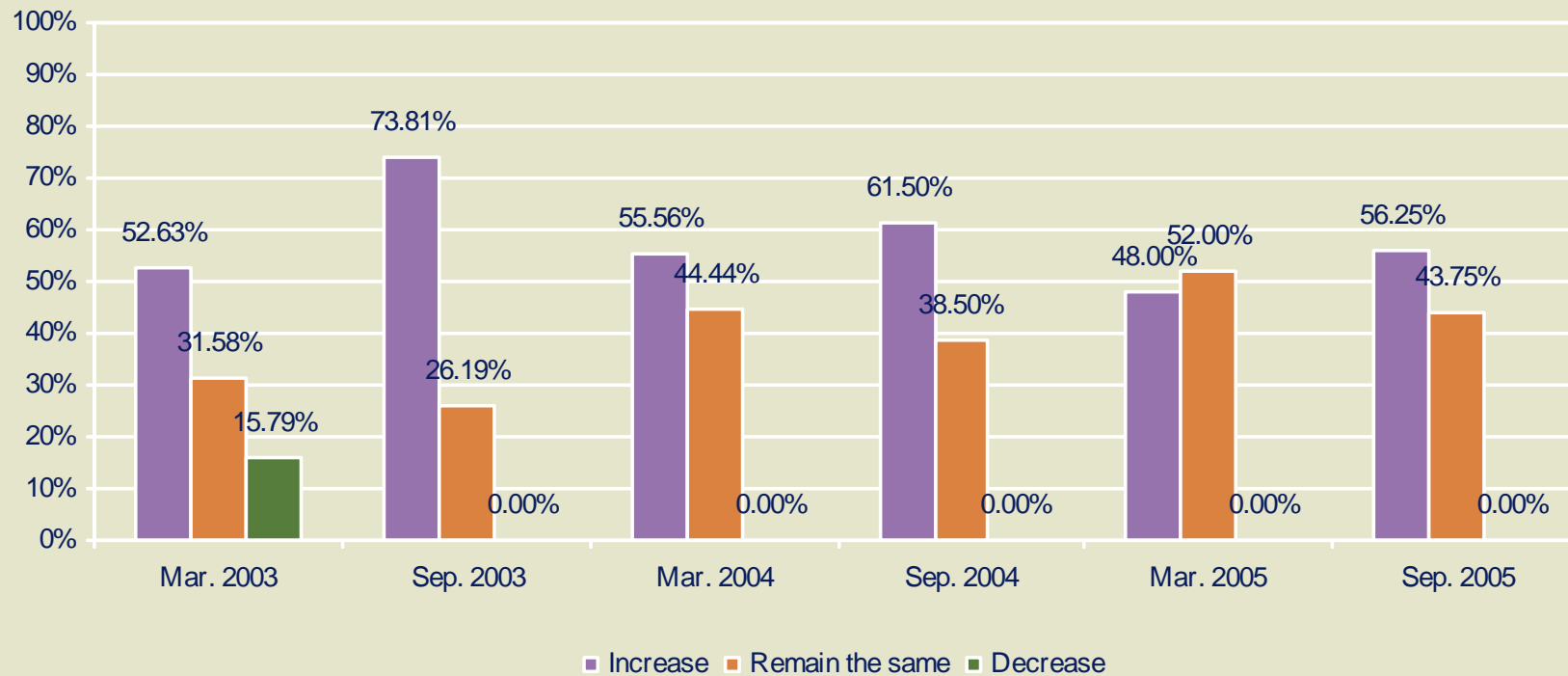
- Convenient climate in availability of debt financing consequently resulted in a couple of LBO transactions

Examples of LBO transactions:

- **Karbon Invest (OKD)** - Czech coal mines (November 2004)
- **DGS** - Polish bottle top manufacturer (February 2005)
- **EBCC Poland S.A.** - Polish supplier of aluminum brake components (June 2005)
- **Nowaco Central Europe** - Producer and distributor of chilled and frozen food in the Czech Republic, Slovakia and Hungary (May 2005)
- **Solaris Bus & Coach** - Polish bus manufacturer (May 2005)

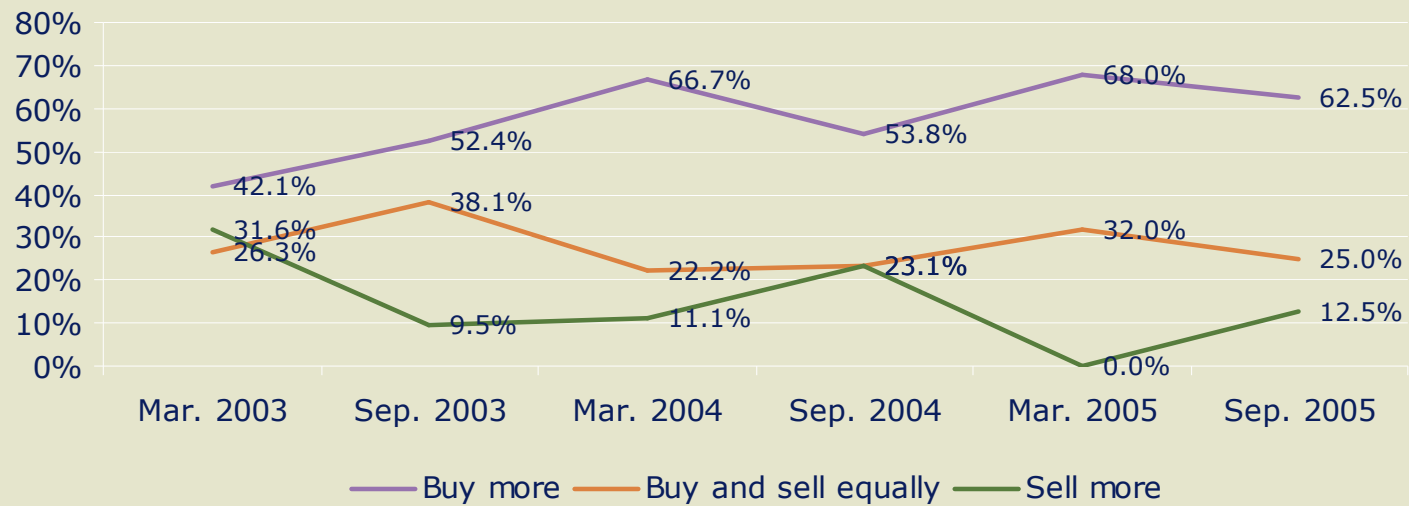
Market Activity

For this period, I expect the overall market activity to:



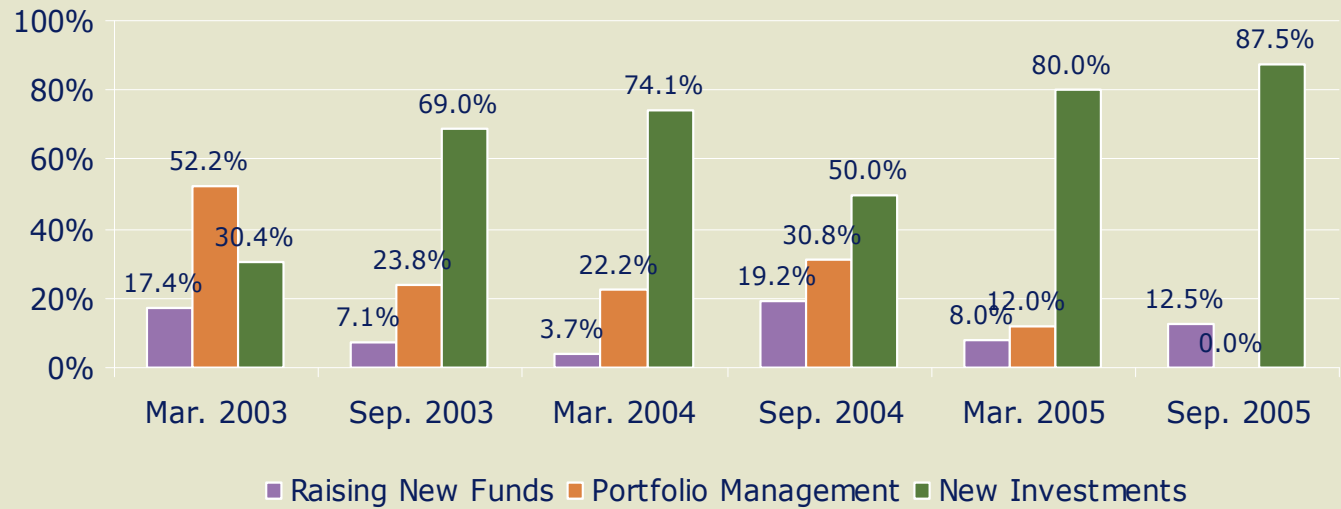
Activity Focus (I.)

For this period, I expect to:



Activity Focus (II.)

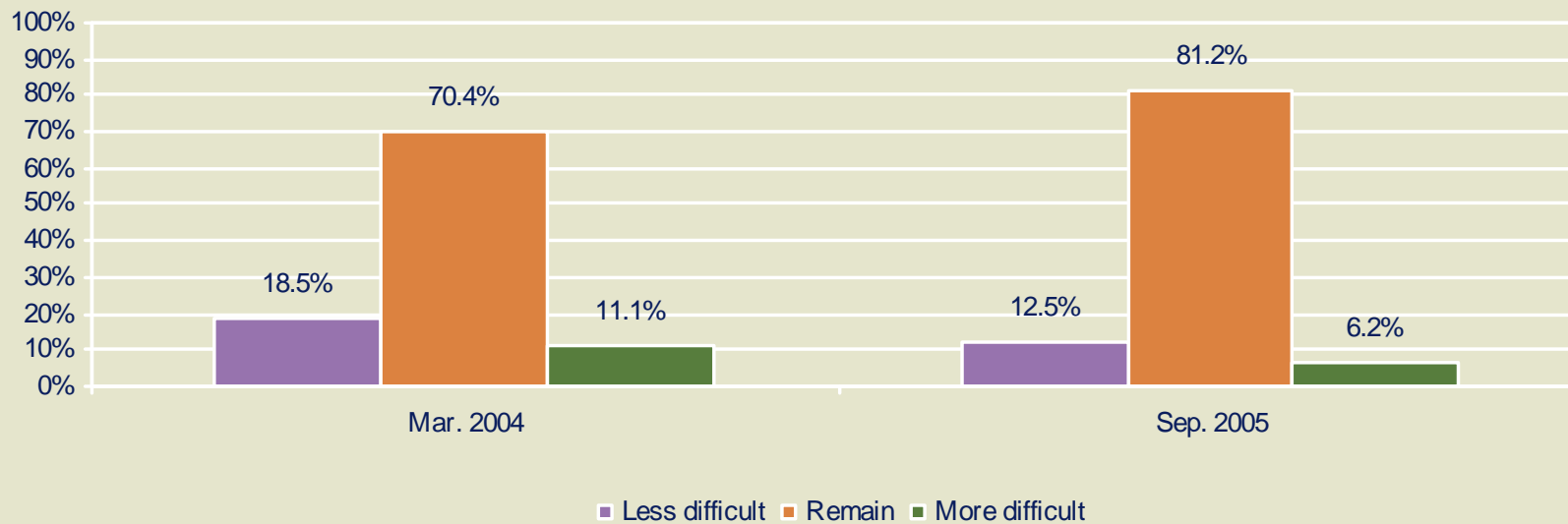
For this period, I expect to:



Fund Raising

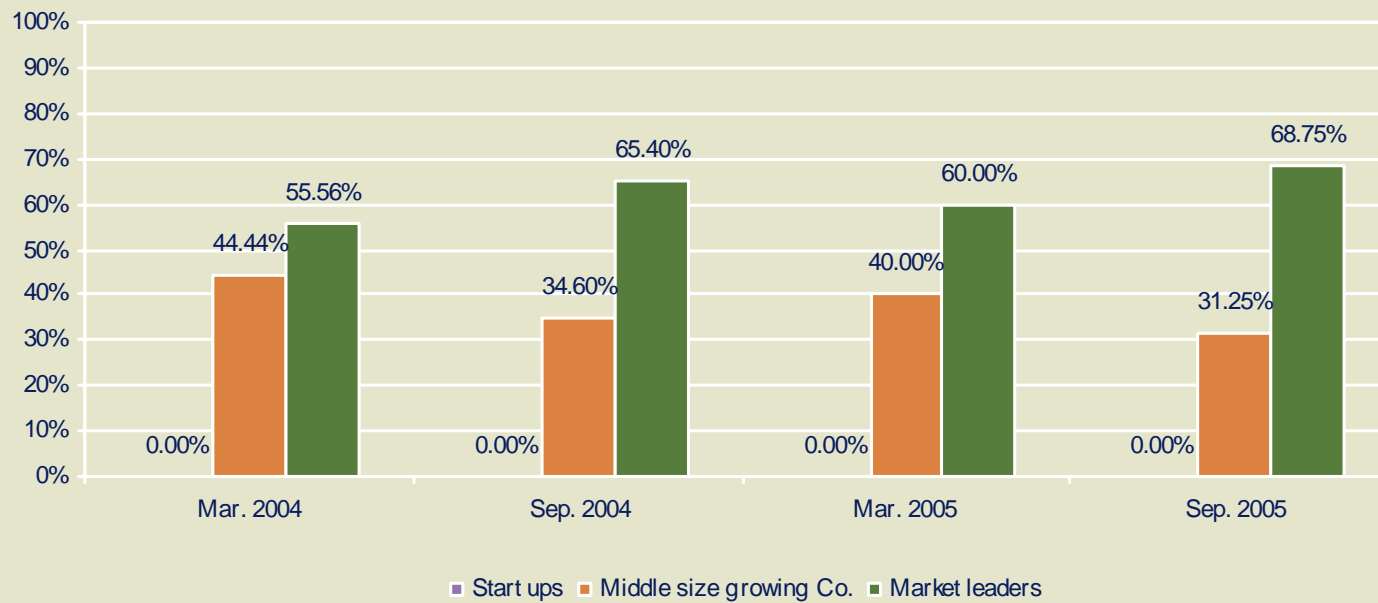
- Expectations regarding fund raising remain the same

Over this period, I expect raising new funds to be:



Target Focus

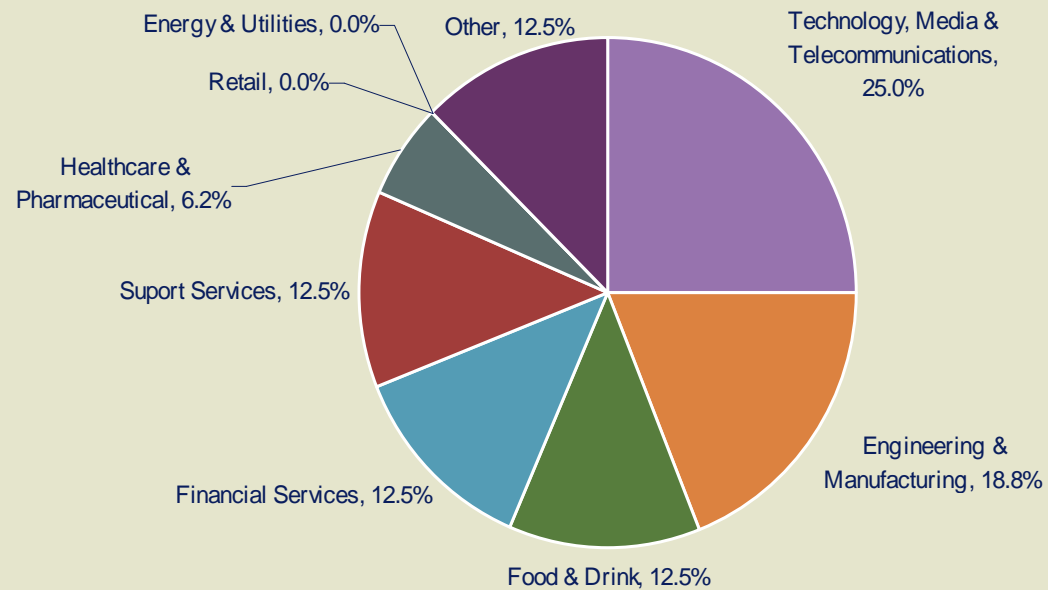
For this period, I expect the highest competition for new investment opportunities in:



Sector Focus

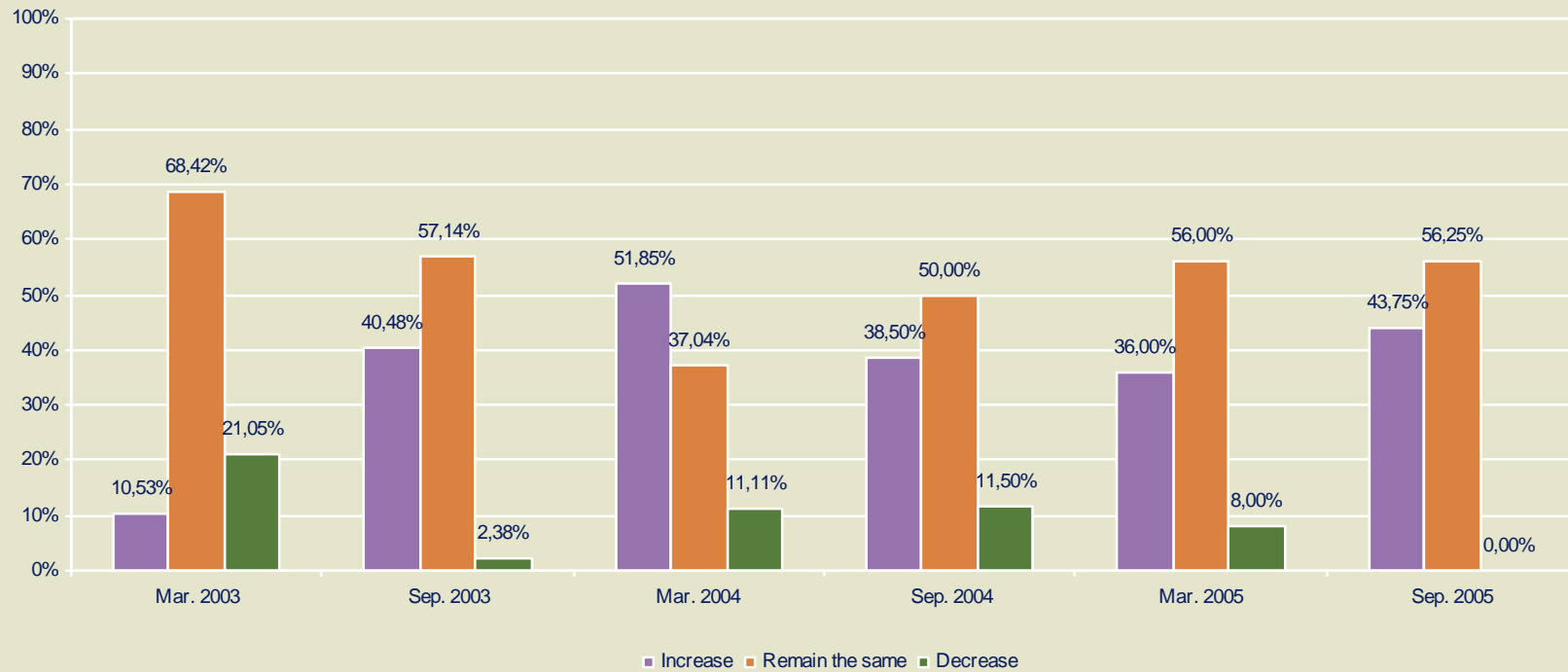
- TMT sector is the center of investor focus

For this period, I expect to invest primarily into the following sector:



Transaction Size

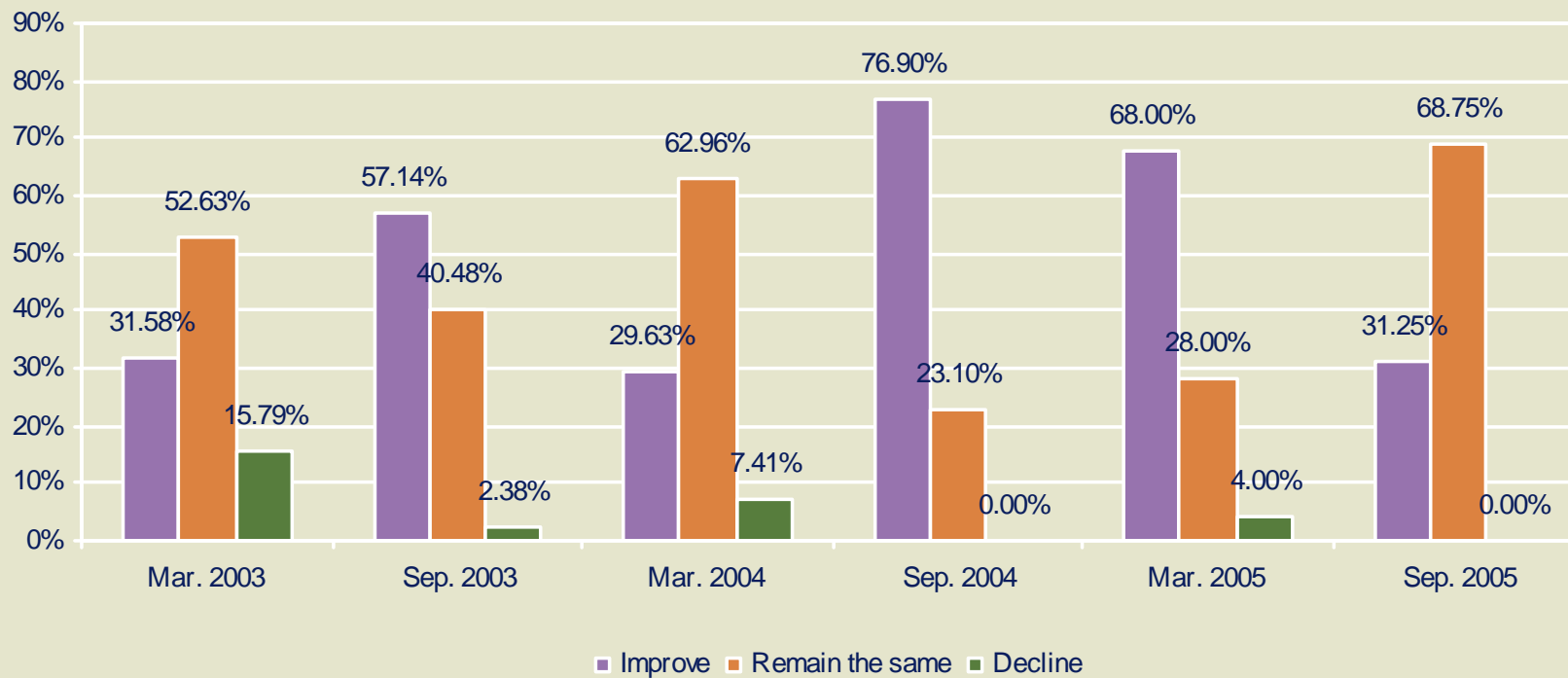
For this period, I expect the average size of transactions to:



Central European Private Equity Confidence Survey – September 2005

Efficiency of Investments

For this period, I expect efficiency of my financial investments to:



Private Equity Services in Deloitte

How can Deloitte help you?

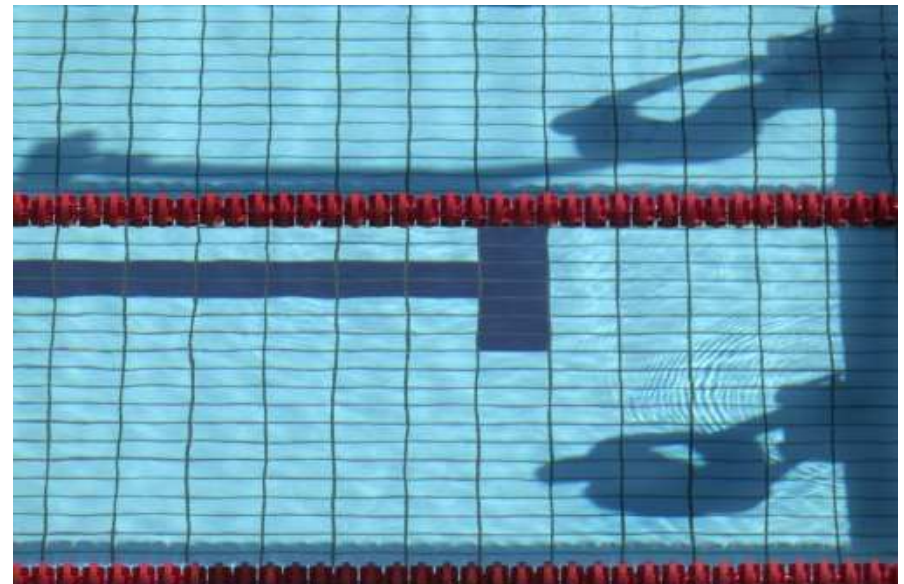
- Corporate Finance
- Transaction Services including Due Diligence
- Reorganization Services
- Forensic Services
- Placement Advisory
- Assurance Advisory
- Tax Advisory

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