



The PB Interim Report



Reporting on privatization in the enlarged Europe

The end of privatization ?



The PB Interim Report

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Editor:
W.L. Megginson

Scientific Advisor:
B. Bortolotti

Researchers:
L. Farinola
V. Milella
L. Pellizzola

c/o Fondazione Eni Enrico Mattei - FEEM
Corso Magenta 63, 20123 Milano - Italy
tel +39 | 02 | 5203.6951
fax +39 | 02 | 5203.6946
e-mail: info@privatizationbarometer.net

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What is the PB Interim Report?

Starting from 2007, PB issues two privatization reports per year: 1) a privatization interim report at the end of the first semester; and 2) a privatization annual report at the end of the year. These two new publications will replace the format and the structure of the previous semi-annual PB Newsletter, keeping the contents basically unchanged.

The PB Interim Report

The PB Interim Report will cover the first half of the year. The most important deals and trends of the first semester of the year will be regularly commented reporting aggregate data on revenues and transactions and providing updated statistics at the country and sector level.

The PB Report

The PB Report is a twelve-month summary on privatization activity in the enlarged European Union. It aims at monitoring the most recent trends, at analyzing aggregate data on revenues and transactions, and at providing updated statistics at the country and sector level.

The report highlights the most important privatization deals of the year, focusing on the European Union but monitoring also the process around the rest of world and hosts contributed articles by top international scholars, who will make accessible to the reader the most recent results of professional research.

Rigorous, updated, easily accessible and freely distributed on the web, the PB Report is an authoritative source of information and a vehicle for a more informed discussion on the choices and consequences of privatization.

William L. Megginson

University of Oklahoma

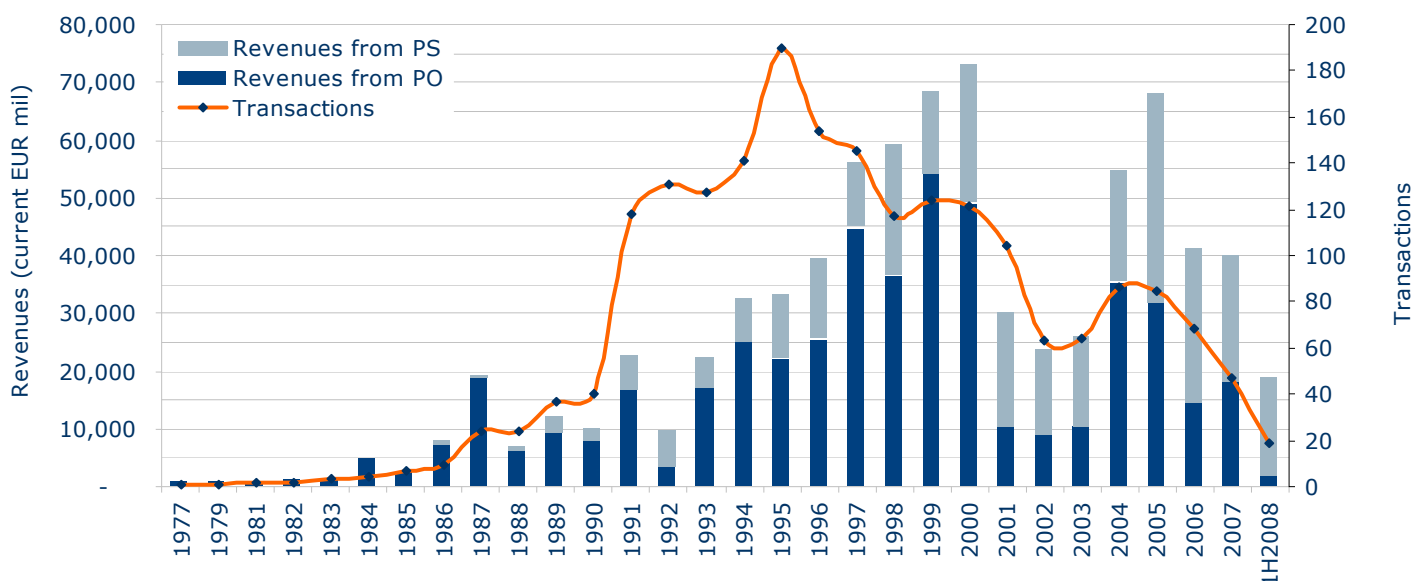
1H2008: A Privatization Semester to Forget

The first half of 2008 saw privatization proceeds for European Union fall to one of their lowest levels since privatization first spread to continental Europe from Great Britain in the late 1980s. Total proceeds from government divestments in the EU were only €18.63 billion (\$29.06 billion), and the non-EU total was even lower, €1.28 billion (\$17.59 billion). This yields a global total of €19.91 billion (\$29.66 billion), which is the lowest semester total since the Privatization Barometer began in 2004. These trends are detailed in Figure 1.

Of course, this weakness reflects the extremely difficult conditions that prevailed in global financial markets during the first half of 2008. While the deterioration in macroeconomic performance of western economies was only modest, capital markets in Europe, North America, and Asia all were traumatized by the effects of America’s sub-prime loan crisis, sharply declining stock price levels (see Figure 2), a sharp rise in global risk premiums, and a near collapse in new equity issues. The first quarter, in particular, saw initial public offerings shrink to levels not seen since 2001, and no fewer than 92 IPOs were canceled worldwide during 1Q2008 alone.

Looking ahead, however, it seems that capital markets may have stabilized, and that 2H2008 should be less volatile than was the first half—though one should always be wary of predicting anything as mercurial as financial markets. The

Figure 1. Privatization in the Enlarged Europe: Total Revenues and Transactions 1977 - 1H2008



Source: Privatization Barometer

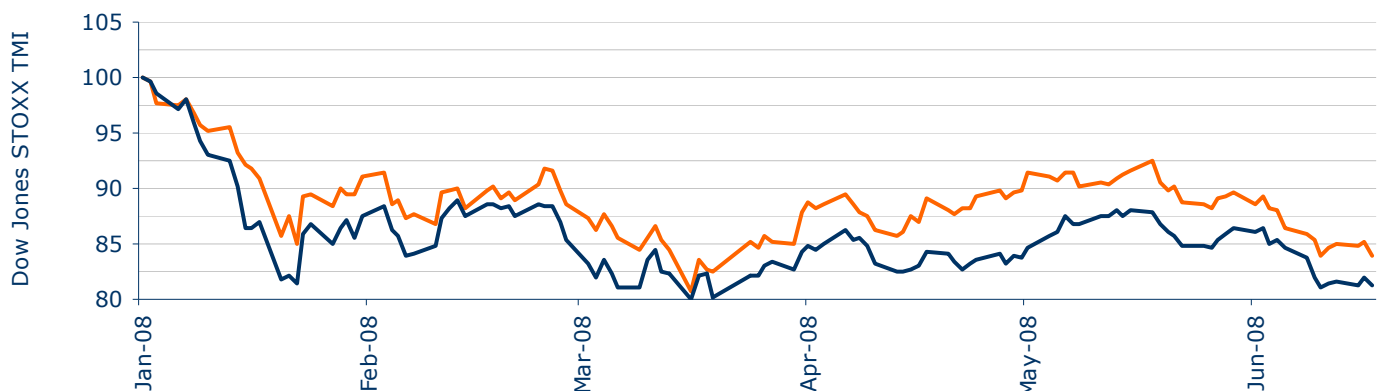
fact that 40% of the 1H2008 total value of EU privatizations (and three of the five largest deals) occurred in the single month of June also suggests that markets are stabilizing heading into the year's second half. Privatization, in particular, should make a significant, perhaps strong recovery in the second half of 2008, with the global total likely to reach at least €45 billion (\$70 billion), and perhaps €55 billion (\$86 billion). If achieved, this will yield a full-year total value for global privatizations in excess of €65 billion (\$101 billion); hardly a record, but robust, especially in dollar terms.

Some two-thirds of the 2H2008 privatization total is likely to come from the EU, where major deals are underway in Scandinavia (the possible acquisition of TeliaSonera by France Telecom and the likely Swedish sale of Vasakronan), Germany (the likely divestment of a 25% stake in Deutsche Bahn), Greece, and possibly France. Outside of the EU, China, Turkey, Serbia, and Iran all have large deals in process. However, two of the largest and most interesting privatizations of 2H2008 seem likely to occur in the United States, where the famous Pennsylvania Turnpike and Chicago's Midway Airport are both slated to have their operating rights sold to private contractors for a combined total of almost \$16 billion (€10.3 billion).

EU Privatizations During 1H2008

The privatization transactions in the European Union during the first half of 2008 are detailed in Table 1. As can be seen, almost half (48%) of the EU total proceeds were accounted for by the small country of Sweden (see Figure 3). Though rarely cited as a major privatizer in previous years, the divestment program of the Centre-Right government of Prime Minister Fredrik Reinfeldt finally hit stride in 1H2008, with two successful sales totaling €8.74 billion (\$13.63 billion). The first involved the February sale of Sweden's 6.7% stake in OMX, the region's pre-eminent stock exchange group, in a complex four-way deal that saw OMX being acquired by and merged with America's Nasdaq to form Nasdaq OMX. Sweden received a cash payment of €3.11 billion (\$4.85 billion) and initially sold its stake to Börse Dubai, which then swapped these shares for a 19.9 percent stake in a new combined company and for Nasdaq's existing 22% stake in LSE, the London Stock Exchange. Shortly thereafter, the fourth player in the OMX takeover drama, Qatar Investment Authority (QIA), sold its entire 9.98% stake to Börse Dubai, bringing the latter's holdings above the 90% required to close the deal. These transactions made Börse Dubai the largest single shareholder in both Nasdaq and the LSE.

Figure 2. Equity Markets in EU25, 1H2008



Source: Elaborations on *Dow Jones STOXX*

DJ STOXX TMI

DJ STOXX EU Enlarged TMI

One month after its successful OMX divestiture, the Swedish government scored again by selling the beverage company Vin & Spirit AB in an auction that fetched a surprisingly high €5.64 billion (\$8.80 billion) winning bid from France's Pernod. Most of the world's leading spirits groups participated in the auction, and to the very end the likely winner was thought to be Fortune Brands, the U.S. distributor of Vin & Spirit's flagship Absolut vodka brand. However, Pernod won the competition both on the basis of price offered and because it was the only major bidder willing to commit to preserving Vin & Spirits intact and as a Swedish company. Interestingly, Pernod's purchase of Vin & Spirits is prompting another auction of international distribution rights for a leading vodka brand—this time Russia's Stolichnaya, produced and sold in Russia by the SPI Group. Pernod has been the global distributor of Stolichnaya, and for antitrust reasons is being forced to sell these rights after buying Vin & Spirit.

Outside of Sweden, there were three truly large (€1 billion+) EU privatizations. The largest of these was the Greek government's June sale of its remaining 25% stake in Hellenic Telecom (OTE) to Deutsche Telekom, which netted the state €3.20 billion (\$4.97 billion). This sale gave DT operating control of OTE, including the right to select the CEO, and gave a strong signal that the newly re-elected center-right government of Costas Karamanlis was committed to market reforms and opening the country up to greater foreign direct investment. The government also announced plans to raise €700 million (\$1.09 billion) during the second half of 2008 through the sale of 30-year contracts to manage the ports of Piraeus and Thessaloniki.

The other two large EU privatizations of 1H2008 occurred in Germany and Portugal, respectively, and both closed in the final month of the semester. The larger deal was the private sale of a 25.1% stake in the German chemicals, energy, and property group Evonik Industries by the state-owned foundation RAG-Stiftung to the private equity firm CVC Capital Partners. This sale netted RAG €2.4 billion (\$3.7 billion), which the foundation is obliged to use to take over and service the massive liabilities of the German coalmining industry. The

Table 1. Deals, 1H2008

Date	Company Name	Nation	Sector	% for Sale	Value of Transaction (€ mil)	* Direct/ Indirect Privatization	Method of Sale
03/31/08	Vin & Sprit AB	Sweden	Manufacturing	100.00	5,637.66	Direct	Private Placement
06/18/08	Hellenic Telecom Organization - OTE	Greece	Tlc	25.00	3,200.00	Direct	Private Placement
02/15/08	OMX	Sweden	Finance	6.70	3,108.06	Direct	Private Placement
06/20/08	Evonik Industries (RAG Foundation)	Germany	Manufacturing	25.00	2,400.00	Indirect	Private Placement
06/04/08	EDP Renovaveis (EDP)	Portugal	Utilities	25.00	1,800.00	Indirect	Initial Public Offering
01/15/08	T-Systems M&B GmbH (Deutsche Telekom AG)	Germany	Tlc	100.00	850.00	Indirect	Private Placement
04/15/08	LMT	Latvia	Tlc	51.00	501.74	Direct	Private Placement
04/17/08	Muntenia Sud	Romania	Utilities	67.50	280.00	Direct	Private Placement
04/25/08	SAS Facility Management (SAS)	Denmark	Services Industry	100.00	233.31	Indirect	Private Placement
05/15/08	Bulgarian Marine Operator	Bulgaria	Transports	70.00	225.00	Direct	Private Placement
04/01/08	ICTS Europe Holding BV (Fraport AG)	Germany	Services Industry	100.00	100.00	Indirect	Private Placement
01/18/08	Project Services Ltd (BNFL)	United Kingdom	Services Industry	100.00	93.31	Indirect	Private Placement
01/11/08	Elmu Rt	Hungary	Utilities	10.50	70.44	Direct	Private Placement
03/20/08	Automobile Craiova	Romania	Manufacturing	72.40	57.00	Direct	Private Placement
05/30/08	COFATHEC Coriance (COFATHEC)	France	Services Industry	100.00	44.60	Indirect	Private Placement
01/31/08	Dagris	France	Manufacturing	51.00	25.00	Direct	Private Placement
02/25/08	Skodaexport Co Ltd	Czech Republic	Services Industry	100.00	4.81	Direct	Private Placement
04/08/08	Vilniaus Sigma AB	Lithuania	Manufacturing	15.21	1.25	Direct	Public Offer
04/02/08	Parkab Overvakning AB (Stockholm Parkering)	Sweden	Services Industry	100.00	1.13	Indirect	Private Placement
Total	19 Transactions				18,633.31	€ mil	

* Direct Privatizations refer to the sale of government's direct stakes. Indirect Privatizations include spin-offs and transfer of shares from government owned companies. Parentheses report the Parent/Seller Company name.

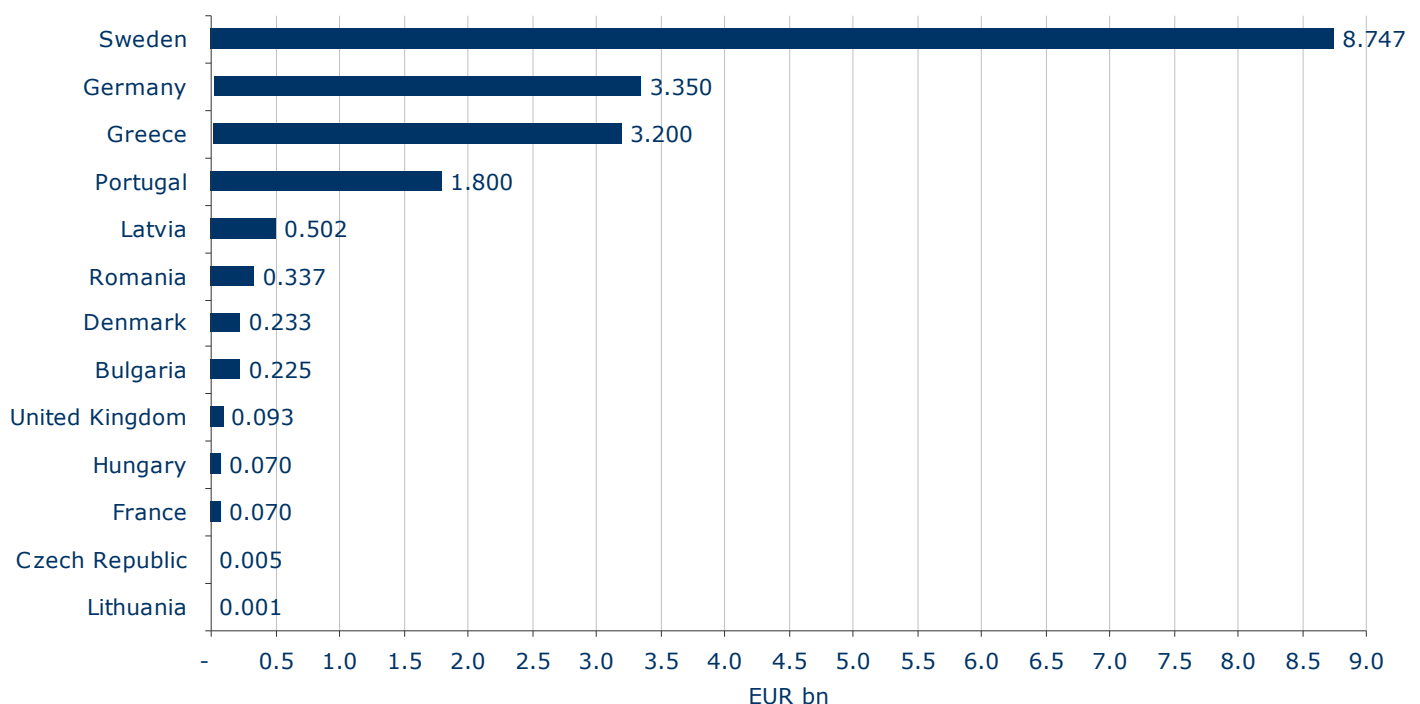
Source: Privatization Barometer

final large EU deal, and the only significant share issue privatization of 1H2008, was the €1.8 billion (\$2.8 billion) IPO of a 25% stake in EDP Renováveis, the Portuguese renewable energy company and Energias de Portugal subsidiary. About two thirds of the shares were allocated in Spain and Portugal, and the retail tranche of this offer was 88 times subscribed, while the institutional tranche met with six times excess demand, though the stock declined in value by 4% on its first trading day—which turned out to be a down day for energy stocks everywhere.

Though not in the €1 billion+ category, two other EU deals of 1H2008 deserve explicit mention. The sixth largest EU divestment this period was an indirect privatization, involving the sale of Deutsche Telekom's T-Systems Media & Broadcasting GmbH unit to a German private equity fund. This disposal raised €50 million (\$1.33 billion), and helped make Germany Europe's second largest private equity market (after Britain) for the first time. The final significant EU privatization of 2008's first semester was another complex telecom deal, this time involving the Latvian government's sale of its 51% stake in the mobile telephone operator LMT to TeliaSonera, which gave the Swedish-Finnish operator the 100% ownership it had always desired. In exchange, TeliaSonera transferred to the government its 49% stake in fixed-line operator Lattelecom, and also paid €187 million (\$293 million) in cash. The total implied value of this deal to the Latvian government was approximately €50 million (\$1.33 billion).

Before turning to a discussion of privatizations outside of the EU and of planned EU and non-EU sales for 2H2008, we should briefly mention two significant transactions that might or might not be considered "privatizations" using an inclusive definition of the term. First, the long-running (27-month) planned merger of state-owned Gaz de France and the private utility Suez passed a critical milestone in May 2008, when GdF's unions gave up their attempt to block this extremely controversial deal. Assuming the shareholders agree to the merger, the new company should begin trading by the fall of 2008. It will become a true behemoth, with combined annual sales of some €70 billion (\$109

Figure 3. Distribution of Privatization Revenues by Country, 1H2008



Source: Privatization Barometer

billion) and a market capitalization of over €90 billion (\$140 billion). The French government's shareholdings will fall to 35.6% in the combined firm, though it will doubtless continue to exercise significant influence. The second quasi-privatization deal of 1H2008 was the German state-owned development bank KfW's €3.0 billion (\$4.7 billion) convertible bond issue in May, which was convertible into Deutsche Telekom shares that KfW owns. The real impact of this transaction on government ownership is, however, likely to be inconsequential, since this offering merely replaces a maturing bond issue with a conversion price of €17.50 per share—and DT stock is currently selling for around €1 per share.

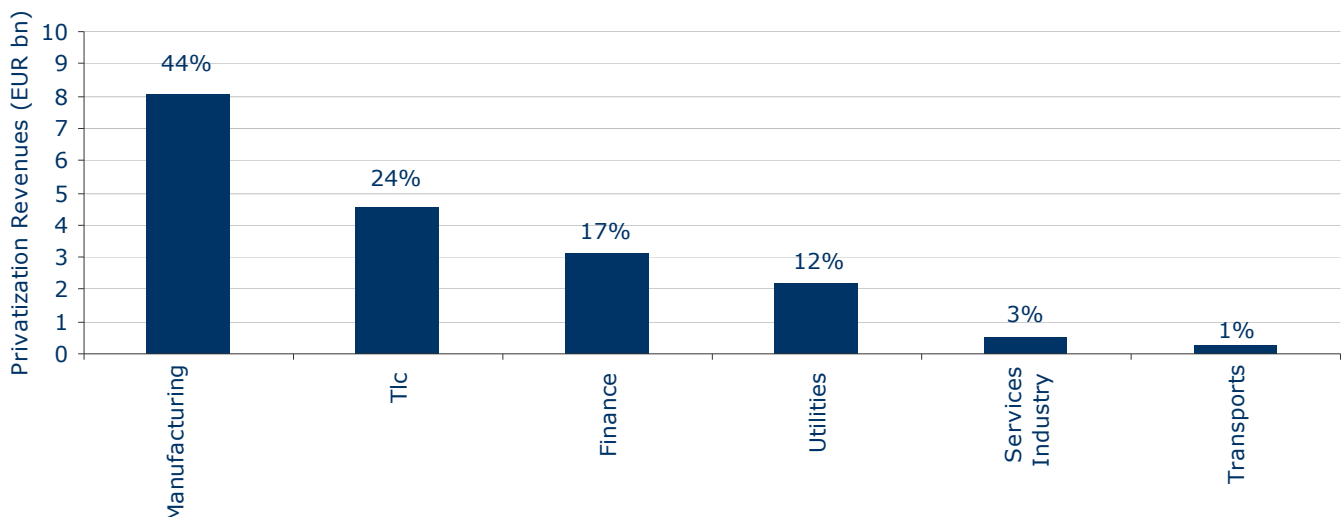
Non-EU Privatizations of 1H2008

For once, China's privatization program did not rescue investment bankers' profits during the first six months of 2008. In fact, there were only four large Chinese IPOs during 1H2008, which collectively raised €7.74 billion (\$12.07 billion), and no large seasoned equity offerings at all. This means that Sweden (population 9 million) raised more privatization revenues during this period than did China (population 1.33 billion). This is a far cry from 2007, when China sold more than \$65 billion in stock, but the decline is understandable given that by June 2008 the Shanghai Composite Index's value had fallen by more than half from its October 2007 peak. Stock markets were down around the world during the first half of 2008, but few markets saw as precipitous a decline as did China.

As has become customary, most of the Chinese IPOs were exclusively A-share (Rmb-denominated) offerings on the Shanghai Stock Exchange. The year's first IPO was January's offering of China Coal Energy, the country's second largest coal producer, which raised €2.31 billion (\$3.60 billion). The shares closed the first day's trading at a 31.9% premium to their Rmb24 offering price, which would have been impressive in most markets—but was considered disappointing to Chinese market watchers.

Shortly thereafter, the China Pacific Insurance company cancelled a long-planned IPO due to market turbulence and poor pricing. However, other companies decided to proceed, and the next up was China Railway Construction Corporation, the former railway-building unit of the People's Liberation Army. China Railway raised €3.65 billion (\$5.70 billion) in an early March IPO

Figure 4. Distribution of Privatization Revenues by Sector, 1H2008



Source: Privatization Barometer

executed on both the Hong Kong and Shanghai exchanges. Although the offering was at least 250 times subscribed, it opened with a disappointing (by Chinese standards) first day initial return of 28%.

The third and fourth Chinese IPOs of 1H2008 were both A-share offerings executed during the second half of April. Jinduicheng Molybdenum came first with an €814 million (\$1.27 billion) offering that achieved the best first day return to date, 36.1%. This was eclipsed two weeks later, however, when the shares of Zijin Mining nearly doubled (95.2% premium by day's end) on their first day of trading. This offer by the largest gold producer in the world's biggest gold producing country raised about €1 billion (\$1.5 billion) to support the company's business expansion plans.

Outside of China, non-EU privatizations during 1H2008 also produced historically meager totals. Several key players from previous periods, including Russia and Brazil, executed no sales whatsoever, while the only large Brazilian divestment planned for this period—the €2.43 billion (\$3.8 billion) trade sale of the municipal utility CESP—had to be canceled due to a lack of serious bidders. This same problem forced the cancellation of Algeria's long-awaited sale of a 51% stake in Crédit Populaire d'Algérie, though in fairness it should be pointed out that a variety of firm-specific rather than macroeconomic or Algeria-specific factors forced out key bidders. Citigroup had just fired its CEO, Chuck Prince, and France's Société Générale had just realized the full extent of the losses (over €7 billion) it would suffer from a rogue trader's actions.

Still, there were at least five significant and completed privatizations during 2008's first semester. Two of these were executed by the Turkish government. In February, the government conducted an auction for Tekel Cigarette, out of which British American Tobacco emerged the winner after submitting a €1.10 billion (\$1.72 billion) bid. This amounted to a rich, though not excessive, valuation of Tekel at 11.4 times the company's 2007 EBITDA. Then in May came the long-delayed IPO of a 15% stake in Turk Telecom, which raised €1.22 billion (\$1.90 billion), bringing the government's holdings to 30% (it sold a 55% stake to Oger Telcom of Dubai in 2005). Some 65% of the shares were allocated to foreigners, who now own about 70% of the stock listed on the Istanbul Stock Exchange. The Turkish government has an ambitious privatization program with plans to sell off some €9 billion (\$14 billion) worth of infrastructure and other assets over the next few years. The most imminent sale will likely involve the divestiture of Izgas, the municipally-owned gas company located in the important industrial town of Izmit, which might raise €800 million (\$1.3 billion).

1H2008 was not altogether dismal for privatization in Africa and South Asia, as both regions witnessed important, if unusual, state sales. In March, Kenya sold a 25% stake in the mobile telephone operator Safaricom in a wildly popular IPO that netted the government almost €500 million (\$775 million). This reduced the Kenyan government's stake to 35%, with Vodafone holding an additional 35%. The shares, which were offered to citizens at Ksh5.00/share and to foreigners (who were allocated 35% of the offering) at KSh5.50/share, yielded a first day return of 50% to domestic purchasers when the shares began trading in June. After listing, Safaricom accounted for no less than one-quarter of the Nairobi Stock Exchange's total market capitalization, and a much higher fraction of daily trading volume. India's contribution to privatization history came in January, when the state-owned body governing cricket raised €464 million (\$724 million) by selling eight new Twenty20 team franchises, principally to

corporate buyers. This popular new cricket variant involves games lasting a few hours rather than several days, as is common in the traditional format.

The final privatization of 1H2008 was a completed sale, but hardly a success. This was Vietnam's January IPO of Saigon Beer and Alcohol Beverage (Sabeco), in the government was able to sell only 78.4 million shares rather than the 128.3 million (representing 25% of the company's shares) on offer—and thus raised €219 million (\$341 million) rather than the hoped-for €358 million (\$558 million). This offering crystallized two key problems that have bedeviled several recent Vietnamese privatizations. The first is the government's insistence on attaining the maximum possible offering price in all sales and, second, its related insistence on a trade-sale pricing methodology requiring potential buyers of strategic stakes to pay the average price generated in a Dutch auction. The first provision was a serious problem for the Sabeco sale, since the government set the minimum bid price at 70,000 dong—an astonishing 72 times projected 2007 earnings presented in the offering prospectus. The latter provision has proven to be particularly scary for prospective buyers of a series of financial companies—banks and insurers—that the Vietnamese government has offered for sale during the past year. All failed to attract major strategic partners, despite massive interest in the country, which is growing extremely rapidly (even by Southeast Asian standards) and is seriously “under-banked” by all normal measures. As one commentator, quoted in Financial Times (April 23, 2008), shrewdly put it: “They [the Vietnamese government] hope to get someone to commit to an unknown price... But no board in the world of a multinational company would go for that. It is like writing a blank cheque.”

Privatizations Planned for 2H2008

By far the most important privatization deal currently in process, and likely to come to fruition during the second half of 2008 is France Telecom's attempted acquisition of the Swedish-Finnish telecom company TeliaSonera. FT broached the idea of a merger—it was not really an acquisition offer at first—in early June, with an indicated offer price of Skr55.22/share (€87, \$9.16) or a total value of €6.2 billion (\$41.3 billion). The Swedish Establishment, in general, and TeliaSonera's board in particular, immediately rejected the bid as inadequate, and began the search for a competing bidder. The Swedish military also voiced initial concern about TeliaSonera falling into foreign hands, since the armed forces' telecommunications network was based on the company's grid.

With the passage of time, however, four things have become clear. First, no other bidder seems likely to emerge, since Norway's Telenor announced that it had other strategic objectives and no other industrial or financial buyer seemed ready to step forth. Second, the Swedish military determined that its concerns could be addressed within the context of an FT acquisition, perhaps by hiving off the military grid from the rest of the network. Third, a difference of opinion emerged between the two state parents of TeliaSonera, Sweden and Finland, with the latter significantly more willing to accept French cash than the former. Finally, France Telecom made clear that its offer was open for a limited time period and that it was unlikely to raise its bid significantly—and would not alter the stock swap ratio (FT shares for TS shares) at all. Working against accepting the current bid, however, is the fact that in the initial TeliaSonera privatization in 2000, the Swedish government sold shares for Skr85 each, and one in eight Swedish citizens bought the stock. Thus the most likely outcome of this

financial passion play is that FT will ultimately raise their bid by some Skr10/share, all sides express satisfaction, and the takeover will be completed in late 2008.

As it happens, Sweden may also be the key player in a second large privatization during 2H2008, but this time early in the semester. In late June, the government began accepting bids for the state-owned real estate company Vasakronan. At the time of this writing, only two bidders remain in the contest, but press speculation nonetheless suggests that the winning bid for Vasakronan might reach Skr 40 billion (€4.2 billion, \$6.6 billion), despite the ongoing problems in global credit markets. Elsewhere in the EU, the German coalition government in May finally agreed on terms for the partial privatization of a 25% stake in Deutsche Bahn. Analysts expect this IPO, which is likely to occur in fall 2008, to raise between €5-8 billion (\$7.8-12 billion).

There are five significant, and very intriguing, privatizations planned by non-EU governments for the last half of 2008, though all seem less assured than their counterparts in the European Union. As noted above, Turkey has plans for privatizing up to €4 billion (\$21.8 billion) in the next few years, and a sizeable chunk of this may come to market next semester. The government certainly needs the money, as Turkey must cover a \$40 billion annual current account deficit through inward investment flows, borrowings, and asset sales.

Serbia represents another potentially very large divestment program, but also one that is very difficult to assess the short term importance of. Immediately after being elected in early 2008 on a reform (and pro-EU entry) platform, the new government of president Boris Tadic announced what would be Eastern Europe's largest ever privatization program, worth up to €30 billion (\$44 billion) over four years. The truly unique twist (at least for 2008 rather than 1992) to this program is that 15% of the shares will be distributed for free to 4 million Serbian citizens—including residents of Bosnia, which Serbia still considers a part of its nation. The first companies scheduled for IPOs, perhaps in late 2008, include Telekom Srbija, the electric utility EPS, the national airline JAT, and Belgrade Airport. The newly elected, and also reformist, Polish government also unveiled plans to reduce the state-owned enterprise sector from 20% to 10% of GDP through a massive divestment program, though the imminence of large sales is likewise questionable.

The final two nations that have announced privatizations plans for the near future would both be new to the divestment game—and also very different from each other. In February, the Iranian government sponsored the formation of the country's first investment banks as a way to circumvent the increasingly effective western blockade of the country's international financial transactions. The government also announced plans to list a one-quarter stake in the National Copper Industry Company on the Malaysian stock market in a deal that may raise up to €1 billion (\$1.5 billion). Finally, as briefly noted above, two US states plan infrastructure privatizations worth \$16 billion (€10.3 billion).

Selected News

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AUSTRIA

2008-05-26 - **Austria's AUA Potentially Facing Full Privatization**

VIENNA (Dow Jones)--**Austrian Airlines AG**, or AUA, could be facing privatization, with the potential sale of the shares in the company not already in free float, German financial daily Handelsblatt reported Monday. According to the newspaper, the Austrian state's holding and privatization company, OIAG, which holds a 42.75% stake in AUA, has asked the carrier's management to examine the options for a strategic sale of the shares. Germany's Deutsche Lufthansa AG is considered the most likely partner in a fully privatized AUA, Handelsblatt said.

BELGIUM

2008-04-22 - **Belgacom Privatization Chances Increase**

BRUSSELS (Dow Jones)--The possibility of **Belgacom's** further privatization is higher, says Degroof, after remarks by the federal minister for state-owned industry indicated the Belgian government may reconsider "the level of its participation." The remarks "further widens the door," Degroof says. Adds it doesn't see changes in Belgacom's ownership in FY 2008. Confirms EUR34.50 target price and accumulate rating. Shares +1.1% at EUR29.59.

FINLAND

2008-05-24 - **Finland Willing To Sell Its Stake In TeliaSonera**

STOCKHOLM (AFP)--The Finnish state does not oppose selling off its holdings in a number of companies, including possibly **TeliaSonera**, which is considered a popular acquisition target, Swedish daily Dagens Nyheter reported Saturday. "We have nothing against changing ownership structures, quite the opposite," Pekka Timonen, the head of the Ownership Steering Unit at Finnish Prime Minister Matti Vanhanen's office, said in an interview with the paper. The Finnish state owns holdings in a long line of companies, and, with the exception of three groups, the government is entitled to sell off its shares as it sees fit without requesting authorization from parliament, he explained. "The companies we have identified as strategically important are Neste Oil, (airline) Finnair and (electric company) Fortum, meaning we wish to maintain majority ownership in them," Timonen said. The same is not true of the Finnish state's 13.7% stake in Swedish-Finnish telecom operator TeliaSonera, which could possibly end up on the bidding block, according to the Dagens Nyheter report. Neighboring Sweden has already stated its intention to sell its 37.2% holdings in the company. If the Finnish assets were added to that, a buyer would have a chance to easily gain control over a majority of the shares in TeliaSonera, making it an even more attractive target for acquisitions than it already is. France Telecom voiced "interest" in TeliaSonera last month, while Russian Alfa Group and Norwegian Telenor have repeatedly been mentioned as potential buyers.

FRANCE**2008-05-29 - French Government Ready To Sell More EdF Shares**

PARIS (Dow Jones)--The French Finance Ministry is ready to sell more of the stake the government holds in state-controlled power giant **Electricite de France SA**, French business daily Les Echos reported Thursday without citing its sources. The government raised EUR3.7 billion to fund modernization of the country's universities by selling 2.5% of EdF in December. The government holds 84.9% of EdF, but it is theoretically able to lower its stake to 70%, Les Echos reported.

2008-06-19 - French State May Sell EUR1 Bln Stake In Lottery

PARIS (Dow Jones)--The French government may sell EUR1 billion-worth of its stake in the French lottery organization, **La Francaise des Jeux**, weekly magazine Challenges reported in its Thursday edition. The sale would reduce the state's stake to 51% from 72%, the French magazine said. Lucien Barriere, Bollere Group and funds Mangas Capital and Serendipity have shown interest in purchasing the stake, the magazine said. Lucien Barriere declined to comment, and Bollere Group wasn't immediately available for comment.

GERMANY**2008-03-09 - German Economics Minister Seeks Expert View On Possible Sale Of Ipex-Bank**

FRANKFURT (Dow Jones)--The German economics ministry plans to invite experts to comment on a possible sale of **Ipex-Bank**, a unit of state-owned development bank KfW, a ministry spokeswoman said Sunday. "It is true that we plan to commission expert advice regarding the advisability and impact of a possible sale of Ipex Bank," the ministry spokeswoman said. Ipex is a specialist bank within KfW Bankengruppe, which the German government controls. German economics minister Michael Glos became chairman of KfW's supervisory board Jan. 1, taking over from German finance minister Peer Steinbrueck. At the end of November, the German finance ministry said Ipex Bank isn't up for sale. KfW is involved in the multi-billion euros rescue package for subprime victim IKB Deutsche Industriebank AG. KfW, IKB's largest shareholder with around 43.4%, plans to sell its IKB stake. Another 10.7% held by a foundation, Stiftung Industrieforschung is also up for sale.

2008-04-30 - German Cabinet OKs Partial Privatization Of Deutsche Bahn

BERLIN (Dow Jones)--The German Cabinet Wednesday approved the partial privatization of railway operator **Deutsche Bahn AG**, said a government spokesman. The move comes after the German government coalition parties Monday agreed to sell 24.9% of the state-owned company in a public offering late this year or early 2009. The partial privatization of Deutsche Bahn will generate proceeds of EUR5 billion to EUR8 billion, according to the transport ministry. The decision will be put before the German parliament for approval before its July recess. The outcome brings to an end of months of political squabbling between Chancellor Angela Merkel's conservative parties and her Social Democratic Party coalition partners, who blocked initial plans to sell a 49.9% stake. The sale would cover 24.9% ownership of the Deutsche Bahn AG's passenger and freight services. All stations and track will remain in full state ownership. Earlier this month, the Social Democrats agreed on the model that set an upper limit to the partial privatization of Deutsche Bahn's passenger and freight business of 24.9% compared with the previous plan of up to 49.9%, with the government keeping control of the 34,000-kilometer track network. Two-thirds of the proceeds will go to Deutsche Bahn to boost its capital base and to invest in projects such as track network. The rest will go to the federal budget.

2008-06-13 - **Deutsche Post Wants To Divest 750 Post Office Branches By 2011**

FRANKFURT (AP)--German mail and logistics company Deutsche Post AG said Friday it wants to divest itself of the **750 remaining post offices** it independently runs by 2011, though the branches will remain open. Bonn-based Deutsche Post said there wouldn't be any post offices closed, and there wouldn't be any layoffs, as the employees at the locations will be given other jobs within the company. Uwe Bensien, a spokesman for Deutsche Post, said the locations could be taken over by private operators. There are some 7,200 such private post offices, in supermarkets and kiosks, where customers get "the same service they're used to," Bensien said. Additionally, Deutsche Post has 3,800 Postservice shops, which provide postal service but have fewer features than the official branches. In 2006, Deutsche Post also sold 850 post office branches to its retail banking unit, Deutsche Postbank, Germany's largest retail bank by customers and locations. Those still provide "flagship" postal services. Juergen Gerdes, Deutsche Post's chief manager of German and international mail said in a separate statement Friday that it "was in the interest of the customers to keep the costs of the post offices in check." This summer for example, the number of Packetboxes, where packages can be sent round the clock, will nearly double to 1,000. The post also has plans to put 1,000 stamp vending machines on line across Germany this year.

2008-06-17 - **Government Advisers Recommend Privatizing Germany's Landesbanken**

BERLIN (AP)--The German government's independent panel of economic advisers Tuesday advocated privatizing the country's **public-sector Landesbanken**, some of which have been shaken over recent months by the U.S. subprime lending crisis. One of the public-sector wholesale banks, SachsenLB, was sold hastily last year to a larger peer, Landesbank Baden-Wuerttemberg, after news emerged of its exposure to subprime real estate loans. WestLB and BayernLB also have been hit with hefty writedowns due to their exposure, and there has been frequent speculation about possible consolidation of the public-sector banks. "The Landesbanken are not only affected to a special degree by the crisis, they also show low profitability and pursue business models that often are not very sustainable," the advisory panel, known as the five wise men, said in a summary of its report to the government. It argued that a "fundamental reform" of the banks is necessary, and that all the Landesbanken should be privatized so that less than 25% of their shares remain in public hands. At present, the banks are owned by a combination of municipal and state authorities and local savings banks. The advisory panel said that public holdings should be sold "without restrictions," but added that local savings banks could be allowed a priority purchase option. "What is critical is that a process gets under way at the end of which the business policy of these institutions is removed from political influence and a further consolidation of the banking system through market forces is made possible," it added. Chancellor Angela Merkel said as she received the report that "we see that there is a need for reform."

2008-06-18 - **Decision On Postbank Sale Seen This Summer**

FRANKFURT (Dow Jones)--A decision on the sale of German retail bank **Deutsche Postbank AG** will be made this summer, German daily Handelsblatt writes in an advance copy of its Thursday issue, citing German Finance Ministry sources. The German Finance Minister Peer Steinbrueck and Deutsche Post AG Chief Executive Frank Appel are going to convene this summer at a meeting during which Appel will say who is going to buy Postbank, the paper writes. Deutsche Post, in which the German government indirectly holds a 31% stake, is the parent company of Deutsche Postbank. The German Finance Ministry and Deutsche Post both declined to comment.

HUNGARY

2008-02-20 - Hungary Plans Privatization IPOs For Local Investors

BUDAPEST (Dow Jones)--Hungarian Finance Minister Janos Veres expects that a handful of state-owned companies would be suitable for privatization to domestic retail investors via listings on the Budapest Stock Exchange. "Wednesday's cabinet meeting gave me a mandate to set by the end of March which state-owned firms would be viable for this scheme," Veres said at a press conference after the cabinet's weekly meeting. The finance minister is to set purchase preferences and a timetable for the possible privatization of firms slated for sale under the scheme. In previous Hungarian privatizations, bourse listings of privatized shares have only come after the shares have been allocated to retail shareholders. Whether institutional investors would be allowed to gain stakes in the firms to be privatized will be decided on a company-by-company basis, Veres said. For companies such as the Hungarian Post Office, if they are selected for sale, the regulatory environment will also need to be examined and sorted out, he said. Hungary has 106 companies in state ownership, having sold off most of its state-owned companies over the past 15 years or so. Chief assets among the remaining companies are electricity wholesaler MVM Zrt. and gaming company Szerencsejatek Zrt. Veres said he expects no initial public offering of any such firms in the next three months, but the first such shares could be listed on the bourse by the end of 2008. Further such IPOs are planned for 2009, Veres added. The firms selected for the IPOs should offer significant gains to buyers of their shares in the medium and long term, Veres added. The government plans to maintain a majority stake in the companies to be sold. "If the future buyers put (state majority ownership) on the table as an issue, we will deal with it," Veres said, referring to possible institutional investors. Injecting additional funding in the firms to be sold, via a capital increase as part of an IPO, is also a possibility, Veres said. The finance ministry will size up all state assets for possible privatization except for arable land. Real estate, could be sold via offerings of shares in real-estate funds, Veres said, adding that no firm decision has yet been taken on this.

LATVIA

2008-04-14 - Latvian Government Agrees To Let TeliaSonera Buy Rest Of LMT

RIGA, Latvia (AP)--The Latvian government has agreed Monday to give TeliaSonera SK full ownership of **Latvian Mobile Telephone** Company, or LMT, in a deal expected to value LMT at about EUR1 billion, the Financial Times reported on its Web site. In Latvia's largest privatization, the government will offer TeliaSonera the 51% of LMT it doesn't already own in return for the Nordic telecom's 49% stake in Latvian fixed-line operator Lettelecom and a payment expected to total 130 million lats (\$293 million), the FT reported. The Latvian government then plans to sell the 49% Lettelecom stake by the end of the year, with the remaining 51% being sold within three years, said a spokesman, according to the FT report.

POLAND

2008-02-08 - Polish Treasury Ministry To Delay LOT Airline IPO Till 2009

WARSAW (Dow Jones)--The Polish Treasury Ministry wants to delay the initial public offering of national airline LOT till 2009, daily newspaper Dziennik reports, citing Deputy Treasury Minister Zdzislaw Gawlik. The IPO, planned initially for this year, should be delayed due to turbulence on global stock markets and rising operating costs for airlines due to high oil prices, Gawlik said. Poland's state treasury holds a 67.97% stake in the company, the other major shareholder is the receiver of SAirLines BV with a 25.1%; LOT's staff hold the remaining stake.

2008-04-22 - Polish Government Oks 4-Yr Plan To Privatize 740 Companies

WARSAW (Dow Jones)--The Polish government Tuesday approved a four-year privatization plan by Treasury Minister Aleksander Grad which is aimed at selling 740 companies, Prime Minister Donald Tusk said at a press conference. The Treasury plans to speed up privatization, halted by the previous right-wing government, and sell stakes in Poland's second-largest bank, PKO BP, four consolidated power groups and most of the country's chemicals makers. Power companies Grupa Energetyczna ENEA SA, Tauron and Polska Grupa Energetyczna will first carry out capital increases through initial public offerings on the Warsaw Stock Exchange, or WSE. In a second stage, the government could seek strategic investors for the power groups. Treasury Minister Aleksander Grad, also present at the conference, said the plan doesn't foresee further privatization of oil refiners PKN Orlen SA and Grupa Lotos SA, or copper producer KGHM Polska Miedz SA. He said the government will sell only one of its shares in gas monopoly Polskie Gornictwo Naftowe i Gazownictwo SA, or PGNiG, in order to allow the company's employees to float their 15% stake on the WSE. The Treasury holds a 84.75% stake in PGNiG, or 4.24 million shares. The employees who hold 15% will be allowed to sell their shares only if the Treasury initiates further privatization of PGNiG by selling at least one share. Grad said the plan envisages that 19 companies now held by the government would be listed on the WSE. On expected privatization revenue, Grad said he expects total revenue of more than 30 billion zlotys (\$14 billion) by the end of 2011. "Until now, I had conservative estimates of between PLN5 billion to PLN7 billion per year," Grad said. "However, after the plan has been approved, I can say revenue will exceed PLN30 billion in four years."The government plans an IPO for national air carrier Polskie Linie Lotnicze LOT once the company has restructured and sold non-core assets. The IPO should be carried out by the end of February 2009, according to a statement from the government press office. The government holds a 68% stake in LOT, and plans to change the relevant law so as to be able to reduce its stake below 51%. The plan said further privatization of the country's largest insurer Powszechny Zaklad Ubezpieczen, or PZU, would be possible once Poland has settled its legal dispute with pan-European insurer Eureka BV, which holds a 33% stake in PZU.

2008-05-06 - Poland Nears Deal To Sell 4% Stake In Bank Pekao

WARSAW (Dow Jones)--Poland should soon finalize talks on the sale of its 4% percent stake in UniCredit SPA's **Bank Pekao**, to the Italian bank, Treasury Minister Aleksander Grad said, Gazeta Wyborcza reported Tuesday. The ministry plans to divest its minority stakes in earlier privatized state enterprises that are now controlled by foreign investors, as it aims at maximizing selloff revenue.

SWEDEN**2008-05-20 - Swedish State Real Estate Company Vasallen To Be Sold**

STOCKHOLM (Dow Jones)--Swedish state-owned real-estate company **Vasallen** is up for sale, with bids expected to start early this autumn, reports Dagens Industri Tuesday. "We're talking about a deal of around 2 billion Swedish kronor (\$334.7 million)," says Vasallen Vice-Chairman Jens Engwall. "Our assumption is that we can get more money by selling the entire company, rather than bit by bit."

2008-05-22 - Swedish Government Opens To Selling Parts Of Svenska Spel

STOCKHOLM (Dow Jones)--Sweden's government is open to the possibility of selling some "less harmful" parts of **Svenska Spel AB**, the state-owned gaming company that controls 55% of the regulated Swedish gaming market, Minister of Finance Anders Borg says in a debate article in Goteborgs-Posten newspaper Thursday. The government has asked a gaming commission, already working on a law proposal on the modernization of Sweden's gambling regulations, to look into which parts of Svenska Spel are less harmful and less likely to induce gambling addiction and crime, Borg says in the article. A sale would open up the tightly regulated Swedish gambling market to private

betting companies, and add additional funds to the center-right government's \$200 billion privatization drive.

UNITED KINGDOM

2008-03-14 - **UK Government Seeking To Sell Its Stake In British Energy**

LONDON (Dow Jones)--The U.K.'s leading energy suppliers have been approached by government advisers gauging their interest in buying the government's 35.2% stake in **British Energy Group PLC**, which is valued at over GBP2 billion, the Financial Times reported on its Web site Friday. The government has hired UBS AG to help with a potential sale, while British Energy has appointed NM Rothschild & Sons Ltd. as its adviser. E.On AG and RWE AG of Germany, Electricite de France SA, Iberdrola SA of Spain and the U.K.'s Centrica PLC have been asked if they would be interested in acquiring part of the stake, the FT reported, citing people close to the situation. Although the U.K. government declined to comment, an insider was quoted by the FT as saying: "Of course, we would look at any offer carefully." Under takeover rules, if a company buys the entire stake it would automatically be forced to make a full takeover bid for British Energy, although the government is unlikely to want British Energy to be bought outright.

2008-06-11 - **UK NDA To Launch Nuclear Sites Sale In A Few Weeks**

LONDON (Dow Jones)--The U.K.'s Nuclear Decommissioning Authority, or NDA, will in the next few weeks launch an asset disposal plan that will include much sought after sites on which to build new nuclear power plants, a spokesman for the agency said Thursday. Europe's big utilities are chomping at the bit to build new nuclear power stations in the U.K. and have been eyeing the NDA sites since companies were invited to register their interest in March. The U.K. government has made one of its top priorities the construction of a new fleet of nuclear power plants to replace the country's aging reactors being shut down over the next decade. "In the next few weeks we'll be bringing forward certain of our assets for disposal, giving the process for the disposal and giving an idea of the timetable," the spokesman said. The spokesman declined to say how many of the NDA's 18 sites would be made available but said it would include sites where new reactors could be built. "We're considering now which of those assets we'll bring forward first," the spokesman said. The NDA, a public body set up in 2005 to oversee the decommissioning of the U.K. nuclear industry, owns 18 nuclear sites, two of which are still operational - Wylfa, which is generally accepted as one of the prime sites as it has a grid connection and local community support and Oldbury. Electricite de France, E.ON AG, RWE AG, Iberdrola SA, Suez, Centrica PLC and Scottish and Southern Energy PLC have all said they are interested in the construction of new reactors in the U.K. EdF is so keen to secure a role in U.K. nuclear new build it has already bought land next to two nuclear reactors in the U.K. The government is also currently selling its 35% stake in nuclear power generator British Energy Group PLC, in an attempt to kick start the new nuclear process as the company has some of the best sites in the country for new nuclear power stations.

Table 1. Announced Deals Old Europe

Date of Announcement	Company Name	Country	Percent for Sale	Method of Sale	Date Expected (as announced)	Rescheduling /Notes
Jun-08	750 Post Office Branches	Germany	100.00	Private Sale	2011	
Jun-08	Nuclear Sites	UK	100.00	Private Sale	unspecified	
Jun-08	La Francaise des Jeux	France	20.00	Private Sale	end 2009	
May-08	Electricité de France	France	up to 14.90	Public Offer	unspecified	
May-08	Austrian Airlines	Austria	unspecified	unspecified	unspecified	
May-08	TeliaSonera	Finland	13.70	unspecified	unspecified	
May-08	Svenska Spel AB	Sweden	unspecified	unspecified	unspecified	
May-08	Vasallen AB	Sweden	100.00	Private Sale	2008	
Apr-08	Belgacom	Belgium	unspecified	unspecified	not before 2009	
Apr-08	Autonomous Port of Marseille	France	unspecified	Private Sale	unspecified	
Mar-08	British Energy Group PLC	UK	35.20	Private Sale	2008	
Mar-08	Ipex Bank	Germany	unspecified	unspecified	unspecified	
Feb-08	Energie AG Oberösterreich - EAG	Austria	unspecified	Private Sale	unspecified	
Jan-08	EDP Renovaveis	Portugal	25.00 - 30.00	IPO	unspecified	completed
Jan-08	Deutsche Postbank	Germany	unspecified	Private Sale	unspecified	
Dec-07	Outokumpu	Finland	30.00	unspecified	unspecified	
Dec-07	Kemira	Finland	16.50	unspecified	unspecified	
Dec-07	Rautaruukki	Finland	39.70	unspecified	unspecified	
Nov-07	Sace	Italy	unspecified	unspecified	unspecified	
Nov-07	Bank of Attica	Greece	38.00	Private Sale	2008	
Oct-07	CDC Group plc	UK	unspecified	IPO	unspecified	on hold
Oct-07	Energias de Portugal	Portugal	5.00	Public Offer	by 2007	
Sep-07	OTE	Greece	up to 23.00	unspecified	unspecified	completed
Sep-07	Areva	France	unspecified	IPO	unspecified	
Sep-07	SUEZ Environment	France	65.00	IPO	2007	postponed to June 2008
Aug-07	Project Services Ltd.	UK	100.00	Private Sale	unspecified	completed
Aug-07	BBC Resources Ltd-Outside	UK	100.00	Private Sale	by March 2008	completed
Aug-07	IKB Deutsche Industriebank AG	Germany	37.80	unspecified	unspecified	
Aug-07	HSH Nordbank	Germany	25.00 - 30.00	IPO	2009	postponed
Jul-07	Atomic Weapons Establishment Management Ltd.	UK	33.00	Private Sale	2008	ongoing
Jul-07	REN	Portugal	unspecified	Public Offer	1H2008	canceled
Jul-07	Connexxion	The Netherlands	33.33	Private Sale	3-5 years	
May-07	Novas Energias do Ocidente	Portugal	unspecified	IPO	2008	
May-07	Fincantieri	Italy	up to 49.00	IPO	Spring 2008	
May-07	Rail Cargo Austria	Austria	unspecified	IPO	after 2010	
May-07	MVV Energie	Germany	16.10	Private Sale	unspecified	completed
Jan-07	Gosselies and Bierset Airports	Belgium	unspecified	Private Sale	unspecified	
Jan-07	Evonik Industries - RAG	Germany	25.00	IPO	2007	postponed to 2013
Jan-07	Stadtwerke Leipzig GmbH	Germany	49.00	Private Sale	2007	canceled
Jan-07	WestLB	Germany	38.00	Private Sale	before 2010	on hold
Dec-06	SBAB	Sweden	unspecified	unspecified	by 2010	
Dec-06	Vasakronan	Sweden	unspecified	unspecified	by 2010	ongoing
Dec-06	Hamburger Hafen und Logistik AG (HHLA)	Germany	30.00	IPO	Autumn 2007	completed
Dec-06	Deutsche Telekom	Germany	unspecified	unspecified	2007	ongoing
Dec-06	Deutsche Post	Germany	unspecified	unspecified	2007	
Dec-06	Thessaloniki Port Authority	Greece	unspecified	unspecified	Early 2008	postponed to end 2008
Oct-06	Gaz de France	France	45.80	unspecified	July 2007	postponed to June 2008
Oct-06	LEG	Germany	100.00	unspecified	by 2008	
Sep-06	Vin & Spirit AB	Sweden	unspecified	unspecified	by 2008	completed
Sep-06	SAS AB	Sweden	unspecified	unspecified	unspecified	
Sep-06	OMX	Sweden	6.70	unspecified	by 2008	completed
Sep-06	TeliaSonera	Sweden	37.30	unspecified	by 2008	
Sep-06	Nordea Bank	Sweden	19.90	unspecified	by 2008	
Sep-06	Tote (Horserace Totaliser Board)	UK	unspecified	IPO	2008	
Aug-06	SAS	Denmark	14.30	unspecified	unspecified	
Jun-06	Alitalia	Italy	up to 39.90	Private Sale	1H2007	postponed to 1H2008
Apr-06	DONG	Denmark	28.00	IPO	1H2005	on hold
Mar-06	Piraeus Port Authority	Greece	unspecified	Public Offer	2007	postponed to end 2008
Mar-06	British Nuclear Group	UK	unspecified	Public Offer	September 2007	
Mar-06	Urenco	UK	33.00	Public Offer	unspecified	on hold
Mar-06	Scottish Water	UK	unspecified	Public Offer	unspecified	
Feb-06	TAP Air Portugal	Portugal	unspecified	unspecified	2007	postponed to 2008/2009
Feb-06	ANA	Portugal	unspecified	unspecified	2007	postponed to 2008/2009
Feb-06	Inapa	Portugal	15.00	unspecified	2006 or 2007	postponed to 2008/2009
Feb-06	Dapa	Greece	30.00	Private Sale	unspecified	
Jan-06	Mount Parnes Casino	Greece	51.00	IPO	2007	on hold
Jan-06	Dagris	France	64.70	Private Sale	2006	completed
Jan-06	Agricultural Bank of Greece	Greece	up to 23.80	unspecified	2006	postponed
Dec-05	SEA Milan	Italy	33.00	Public Offer	2006	postponed
Nov-05	Telekom Austria	Austria	up to 25.20	unspecified	after autumn 2006	canceled
Oct-05	Eni SpA	Italy	10.00	Public Offer	2006	canceled
Oct-05	Enel SpA	Italy	10.00	Public Offer	2006	canceled
Oct-05	Atomic Energy Authority	UK	unspecified	Private Sale	2008	
Feb-05	Snam Rete Gas	Italy	up to 30.00	unspecified	2005	postponed to 2008
Jan-05	Athens Intl. Airport	Greece	up to 55.00	unspecified	2005	postponed
Jan-05	Deutsche Flugsicherung	Germany	up to 75.00	unspecified	2005	on hold
Dec-04	Olympic Airlines	Greece	unspecified	Private Sale	2005	postponed
Oct-04	Iberia	Spain	5.30	Private Sale	2005	postponed to 2008
Oct-04	TV2	Denmark	51.00 - 66.00	Private Sale	1H2005	postponed
Sep-04	Aguas de Portugal	Portugal	up to 49.00	IPO	2H2005	postponed
Jun-04	Deutsche Bahn	Germany	24.90	IPO	2006	by the end of 2008

Source: Elaborations on *DowJones, and Privatization Barometer*

* Originally announced as 15,00%

** Originally announced as 20,00%

Table 2. Announced Deals New Europe

Date of Announcement	Company Name	Country	Percent for Sale	Method of Sale	Date Expected (as announced)	Rescheduling /Notes
May-08	Bank Pekao	Poland	4.00	Private Sale	2008	
Apr-08	Lattelecom	Latvia	51.00	unspecified	2011	
Apr-08	Pozavarovalnica Sava	Slovenia	up to 74.87	IPO	2008	
Mar-08	Jastrzebska Spółka Węglowa S.A.	Poland	unspecified	IPO	2009	
Mar-08	Zakłady Azotowe Pulawy	Poland	unspecified	Public Offer	2010	
Mar-08	Zakłady Azotowe Police	Poland	unspecified	Public Offer	2010	
Mar-08	Warszawski Rolno-Spozywczy Rynek Hurtowy Bronisze	Poland	unspecified	unspecified	2011	
Mar-08	Lubelski Rynek Hurtowy Elizowka	Poland	unspecified	unspecified	2011	
Feb-08	Szerencsejatek Rt.	Hungary	unspecified	IPO	unspecified	
Feb-08	Zakłady Tytoniowe w Lublinie S.A.	Poland	unspecified	unspecified	unspecified	
Feb-08	Grupa Lotos S.A.	Poland	unspecified	unspecified	2009	
Feb-08	Energa	Poland	unspecified	IPO	end 2009	
Jan-08	Wiedza Powszechna	Poland	unspecified	unspecified	unspecified	
Jan-08	Bellona	Poland	unspecified	unspecified	unspecified	
Jan-08	PIW	Poland	unspecified	unspecified	unspecified	
Jan-08	Polskie Nagrania	Poland	unspecified	unspecified	unspecified	
Dec-07	Ferencvaros' real estate	Hungary	unspecified	Private Sale	2007	
Dec-07	Boqdanka	Poland	25.00 - 35.00	IPO	1H2009	
Nov-07	Warsaw Stock Exchange	Poland	47.82	IPO & PS	2H2008	
Nov-07	PKO Bank Polski	Poland	up to 31.50	Public Offer	2008	
Nov-07	Airport-Debrecen	Hungary	100.00	Private Sale	1Q2008	
Oct-07	Airport Bratislava A.S.	Slovakia	unspecified	Private Sale	unspecified	
Oct-07	Cargo Slovakia A.S.	Slovakia	unspecified	Private Sale	unspecified	
Oct-07	Polkomtel	Poland	unspecified	Private Sale	2008	
Sep-07	Polish Airports' State Enterprise (PPL)	Poland	unspecified	unspecified	1Q2008	
Sep-07	Kamien Pomorski Resort	Poland	unspecified	Private Sale	2008	
Sep-07	Przerzeczyn Resort	Poland	unspecified	Private Sale	2008	
Sep-07	Ustka Resort	Poland	unspecified	Private Sale	2008	
Sep-07	Polczyn Resort	Poland	unspecified	Private Sale	2008	
Sep-07	Iwonicz Resort	Poland	unspecified	Private Sale	2008	
Sep-07	Rabka Resort	Poland	unspecified	Private Sale	2008	
Sep-07	Wysowa Resort	Poland	unspecified	Private Sale	2008	
May-07	Grupa Energetyczna ENEA S.A.	Poland	unspecified	IPO	2Q2008 or 3Q2008	
Aug-07	Bank Gospodarki Żywnościowej (BGŻ)	Poland	unspecified	IPO	2H2008	
Aug-07	Nemzeti Loverseny	Hungary	100.00	Private Sale	by 2007	on hold
Aug-07	Magyar Loversenyfogadast Szervezo	Hungary	100.00	Private Sale	by 2007	on hold
Jul-07	Katowicki Holding Węglowy (KHW)	Poland	unspecified	IPO	Autumn 2008	postponed to 2009
Jul-07	CD Cargo	Czech Republic	100.00	Private Sale	by April 2008	postponed
Jul-07	Skodaexport	Czech Republic	100.00	Private Sale	2007	completed
Jul-07	Lattelecom	Latvia	49.00	Private Sale	2008	
Jul-07	LMT	Latvia	23.00	Private Sale	unspecified	completed
Jul-07	Tauron Polska Energia	Poland	unspecified	IPO	2009	
Jul-07	Elmu	Hungary	10.00	Private Sale	unspecified	completed
Jun-07	Health Insurance Funds (22 funds)	Hungary	up to 49.00	Private Sale	1H2008	on hold
Jun-07	Silesia Coal Mine	Poland	100.00	Private Sale	2H2009	
Jun-07	Hollolhazi Porcelan Manufactura	Hungary	45.64	Private Sale	by 2007	
May-07	Zakłady Azotowe Anwil	Poland	45.00	IPO	2008	on hold
May-07	Tokaj Kereskedohaz	Hungary	up to 99.00	unspecified	unspecified	
May-07	Sportletesitemenyek Vallalat Zrt	Hungary	up to 75.00	unspecified	unspecified	
May-07	Herendi Porcelanmanufaktura	Hungary	25.00	unspecified	unspecified	
May-07	Nemzeti Tankonyvkiado	Hungary	25.00	unspecified	unspecified	
May-07	Magyar Villamos Muvek Zrt	Hungary	25.00	IPO	unspecified	
May-07	Magyar Posta	Hungary	25.00	IPO	unspecified	
May-07	Wojskowe Zakłady Mechaniczne	Poland	unspecified	IPO	2008	
May-07	Nova Kreditna Banka Maribor - NKBM	Slovenia	49.00	PO & PS	by summer 2007	completed
Apr-07	Bank of Valletta Plc	Malta	25.00	Public Offer	2008	
Apr-07	Fabrika Sklejka Pisz	Poland	unspecified	IPO	2007	postponed to 2H2008
Apr-07	Szczecinska Stocznia Nowa (SSN)	Poland	unspecified	Private Sale	2007	ongoing
Apr-07	Stocznia Gdansk	Poland	unspecified	Private Sale	2007	completed
Apr-07	Stocznia Gdynia	Poland	unspecified	Private Sale	2007	ongoing
Mar-07	PGE - Polska Grupa Energetyczna	Poland	8.00 - 12.00	IPO	4Q2008	postponed to early 2009
Mar-07	Grupa Centrum	Poland	35.00	IPO	2007	
Mar-07	AAK Rt	Hungary	20.00 - 40.00	IPO	2008	
Feb-07	OEP	Hungary	unspecified	unspecified	by 2008	
Feb-07	Czech Railways	Czech Republic	unspecified	unspecified	unspecified	
Feb-07	Czech Post	Czech Republic	unspecified	unspecified	unspecified	
Feb-07	Budejovicky Budvar NP	Czech Republic	unspecified	unspecified	before 2009	not before 2009
Feb-07	Telecom Slovenije	Slovenia	up to 49.00	Private Sale	by summer 2007	ongoing
Jan-07	Archimedes	Poland	unspecified	Private Sale	unspecified	
Jan-07	ZA Kedzierzyn	Poland	80.00	Private Sale	unspecified	
Jan-07	Kombinat Koksochemiczny Zabrze	Poland	unspecified	IPO	unspecified	
Jan-07	Walbrzyskie Zakłady Koksoownicze „Victoria” S.A.	Poland	unspecified	IPO	2009	
Jan-07	Centrum Produkcyjne Pneumatyki Prema	Poland	unspecified	IPO	2008	
Jan-07	HCP Cegielski S.A.	Poland	unspecified	IPO	2H2008	
Jan-07	LOT SA	Poland	up to 16.96	IPO	1H2008	postponed to Feb 2009
Jan-07	Bumar	Poland	up to 25.00	IPO	before 2010	
Jan-07	Polska Wytownia Papierow Wartosciowych	Poland	unspecified	IPO	before 2010	
Jan-07	Fabrika Lozysk Toczných - Krasnik	Poland	51.00	Public Offer	before 2010	
Jan-07	Kopalnia Soli Kłodawa	Poland	unspecified	IPO	2007	postponed to 2008
Jan-07	Huta Labeuy	Poland	unspecified	IPO	2007	postponed to 2008
Jan-07	Wroclaw's Hutmen S.A.	Poland	unspecified	IPO	2007	

Source: Elaborations on *DowJones*, and *Privatization Barometer*

Table 2 (Continued). Announced Deals New Europe

Date of Announcement	Company Name	Country	Percent for Sale	Method of Sale	Date Expected (as announced)	Rescheduling /Notes
Jan-07	Krajowa Spółka Cukrowa	Poland	unspecified	IPO	2007	
Jan-07	Zakłady Azotowe Tarnowie Moszczicach (ZATM)	Poland	unspecified	IPO	2007	postponed to June 2008
Jan-07	Zakłady Azotowe Kędzierzyn (ZAK)	Poland	80.00	IPO	2008	
Jan-07	Ruch SA	Poland	72.50	PO & PS	2007 & 2008	
Jan-07	Zakłady Chemiczne Police	Poland	60.00	Private Sale	2007	
Jan-07	Telefonia Dialog	Poland	unspecified	IPO	before 2010	
Jan-07	Centralwings (Nowy Przewoźnik)	Poland	unspecified	unspecified	before 2010	
Jan-07	INTRACO	Poland	51.00 or more	IPO	before 2010	
Jan-07	Agro Man	Poland	unspecified	IPO	before 2010	
Jan-07	Zebiec	Poland	unspecified	IPO	before 2010	
Jan-07	Fabryka Przewodów Energetycznych (FPE)	Poland	unspecified	IPO	before 2010	
Jan-07	PZL Swidnik	Poland	unspecified	IPO & PS	2008	
Jan-07	KGHM Ecoren	Poland	unspecified	IPO	before 2010	
Jan-07	Nitroerg	Poland	unspecified	IPO	before 2010	
Jan-07	WSK - PZL Kalisz	Poland	unspecified	IPO	before 2010	
Jan-07	Rzeczpospolita	Poland	unspecified	IPO	before 2010	
Jan-07	Niewiadów	Poland	unspecified	IPO	before 2010	
Jan-07	Gamrat	Poland	unspecified	IPO	before 2010	
Jan-07	Zakłady Gorniczo - Hutnicze	Poland	unspecified	IPO	2007	postponed to 2008
Jan-07	CEFARM	Poland	unspecified	unspecified	2007	
Sep-06	Prague Airport	Czech Republic	up to 49.00	unspecified	2008	
Sep-06	CEZ AS	Czech Republic	7.00	Public Offer	2007	ongoing
Aug-06	Czech Airlines	Czech Republic	91.50	Private Sale	2008	
Aug-06	Babolna Zrt	Hungary	100.00	unspecified	unspecified	on hold
May-06	Powszechny Zakład Ubezpiecz - PZU	Poland	unspecified	unspecified	unspecified	
Feb-06	TPSA	Poland	4.05	unspecified	2006	postponed to 2009
Jan-06	Volan Rt.	Hungary	unspecified	unspecified	unspecified	
Jan-06	FHB Rt	Hungary	50.00	unspecified	by 2007	completed
Jan-06	Szerencsejatek Rt.	Hungary	unspecified	unspecified	unspecified	canceled
Dec-05	Jastrzębska Spółka Węglowa	Poland	25.00 - 30.00	IPO	2007 or 2008	
Nov-04	Patnow-Adamow-Konin SA	Poland	up to 50.00	Private Sale	unspecified	ongoing

Source: Elaborations on *DowJones*, and *Privatization Barometer*

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