Deloitte.

TOP 500

Central Europe 2014

Clear view of the market

500 companies
18 countries

A focus on innovation

I am delighted once again to welcome you to the Deloitte CE Top 500 ranking and report. Now in its eighth year, this report is firmly established as one of the key sources of business analysis and insight across the eighteen nations that compose the Central European region.

An analysis of the company results featured in the ranking highlights just how far 2013 was a year of stagnation across CE. An increased number of companies experienced a fall in revenues for the third consecutive year, and the profits of the top six in the ranking were lower than in 2012.

However, the focus here is not on the performance of individual companies or countries. Rather, my interest is in the collective ability of Europe, and the CE region in particular, to compete with the exceptional GDP growth that certain regions elsewhere in the world continue to deliver. That brings me to the theme of this report – innovation.

It has clearly emerged over recent years that innovation has a powerful role to play in driving economic development. This is echoed by many of the interviewees featured in the report, one of whom says: "What is of crucial importance is our ability through innovation to deliver added value and a unique customer experience for everybody we come into contact with."

But having the potential to innovate is only one thing. It is quite another to develop and embed the key processes that companies need to harness potential and convert it into sustainable economic growth. That is the challenge faced by many CE businesses, and it is encouraging to see so many of the region's 500 largest companies leading the way.

It is also becoming clear that Central European countries are in the process of changing themselves. They are turning away from a focus on low-cost labour to become knowledge-based economies driving the innovation that builds more competitive and profitable companies, economies, regions and continents.

But is this enough? As recently reported in the Deloitte Corporate R&D Report 2014, Europe's share of global R&D expenditure has fallen from 26% in 2009 to a projected 22% in 2014. This is not necessarily because European companies are spending less on R&D. Rather, it's because competitors elsewhere in the world – Asia in particular – are spending substantially more. Furthermore, CE companies are spending a smaller proportion of GDP on R&D than the European average, further disadvantaging the region in terms of global competitiveness. So our companies need to think about how they can compete, boosting innovation to improve the region's economic outlook.

As I encourage you to derive value from the 2014 CE Top 500, I therefore also ask you to consider the role of innovation in your organisation. Innovation is the fundamental catalyst for growth that any economy needs.

Alastair Teare
Chief Executive Officer
Deloitte Central Europe

Contents

6 Ranking overview

37 Index of success

43 CE Top 500 Ranking

57 Leaders on market and innovation

The CE Top 500 Ranking
is divided almost 50:50 between
those companies
that recorded growth and those
showing a decline in revenues.

The results of the 2013 ranking of the 500 largest companies in Central Europe illustrate an uncertain situation in the region. They show a deteriorating economic position and unstable geopolitical situation affecting the performance of CE enterprises.

The CE Top 500 Ranking is divided almost 50:50 between those companies that recorded growth and those showing a decline in revenues. It is the third edition in a row when the number of companies seeing a decrease in their revenues grew, from 97 in 2010 to 227 in 2013.

The revenue level of the largest companies in the region was stable. The average revenue increase was 0.0%, as compared to 3.3% in 2012. The combined revenues of all the companies in the Ranking went down by 0.4% to EUR 712 billion, compared to a rise of 3.8% last year. Additionally, available financial results from Q1 2014 indicate an economic slowdown, with a decrease in revenues of -3.1%.

Preparing the ranking, we took into account 881 companies from 19 countries. Data in the Ranking were gathered and analysed by the team of Deloitte experts from 13 regional offices in cooperation with media partners from several countries. I would like to thank our partners, especially Rzeczpospolita newspaper, and all the companies who dedicated their time and internal data to completing the questionnaires and provided us with interesting insights on market trends and innovation.

Tomasz Ochrymowicz

Tomasz Ochrymowicz

Partner, Financial Advisory

Deloitte Central Europe

Key figures

Median Revenue growth
0.0%

Consolidated revenue
EUR 712 billion

Average net profit margin
1,9%

Companies moving up
249

227
Companies moving down

Consumer Business & Transportation – Top industry by number of companies
179

Energy and Resources – Top industry by revenue generated
41.6%

Manufacturing – Top industry by median revenue growth
2.9%

161
Poland – Top country by number of companies

34%
Poland – Top country by revenue generated

Lithuania – Top country by median revenue growth
6%

Ranking overview

The first four places in the Ranking remained unchanged. As in the previous year, first place was taken by PKN Orlen (despite a 5.8% decrease in EUR revenues), followed by Hungary's MOL and then Škoda Auto.

The Ukrainian energy sector company DTEK moved from seventh up to fifth place. DTEK was the most impressive mover in the seventh edition of the Ranking – last year, it jumped from 32nd to seventh place after 108% revenue growth as a result of acquisitions made.

Another Polish company in the top ten is Jeronimo Martins Polska, which took eighth place, increasing its EUR revenues by 13% and advancing four positions in the Ranking thanks to an effective expansion strategy.

Ninth and tenth positions are occupied by PGNiG and PGE, respectively. The revenues of PGNiG went up by 11.1% year-on-year. The crucial factor behind this substantial improvement was a record 124% increase in oil production (from 491.6 thousand tonnes in 2012 to 1,098.7 thousand tonnes in 2013). This was the result of production getting underway at deposits in Lubiatów, Międzychód and Grotów (LMG) and a deposit on the Norwegian Continental Shelf. In addition the volume of gas sold by PGNiG in 2013 increased by 8.7%.

Those making the biggest move

This year, the biggest rise up the Ranking, by 258 positions, was recorded by Ford Romania, which jumped to 170th place. The company reported a nearly twofold increase in revenues (from EUR 557 million in 2012 to EUR 1,097 million in 2013), resulting from increased production of a new model of the Ford B-Max and EcoBoost engine.
A rise of 156 positions (from 230 to 74), resulting from an increase in revenues of over 127%, was recorded by another company in the Automotive industry: Mercedes-Benz Manufacturing Hungary. This was the result of an expansion in production facilities, and a consequent increase in car production. The Automotive industry was positively influenced by increasing exports and by global corporations making investments in the region, especially in Romania and Hungary.

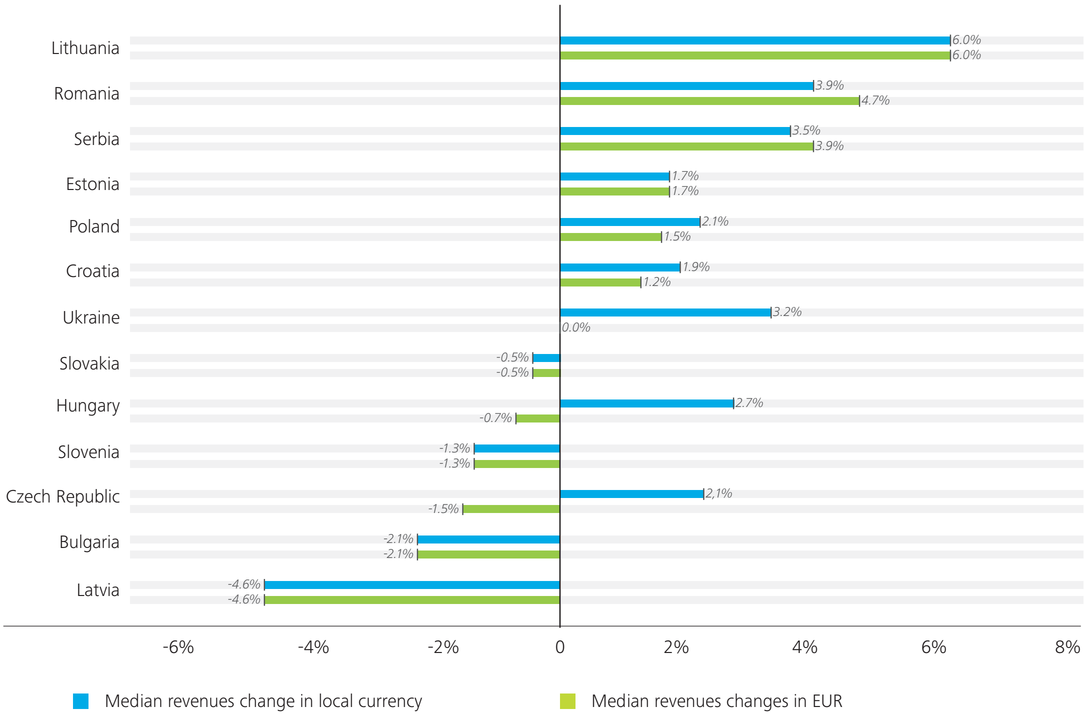
The trends at play

In 2013, CE's largest companies were affected by factors inhibiting economic growth. CE economies developed unevenly. Higher GDP growth than last year was recorded in the countries of southeastern Europe, including Romania, Hungary and Bulgaria. Lower GDP growth was noted in Poland, Slovakia and the Baltic States. The economies of the Czech Republic, Slovenia and Croatia shrank, while that of Ukraine remained unchanged in 2013. According to recent IMF and NBP (National Bank of Poland) reports, export was the main growth-accelerating factor for CE countries in 2013; its main direct cause was the economic revival of the eurozone countries.

Despite private consumption remaining at a low level and a lack of clear signs of economic growth, in 2013 business leaders and financial directors were looking optimistically to the future and awaiting an improvement in economic conditions. This was reaffirmed by the results of the CE CFO Survey conducted in October and November 2013, and also by the Purchasing Managers' Index (PMI) value revealed in 2013.

The first half of 2014 showed, however, that the economic outlook for the region is not as optimistic as expected. The unstable geopolitical situation in Ukraine is creating new risks for companies operating in Central Europe. Economic sanctions are restricting trade between CE countries and Russia, a major impediment for many companies which may result in high losses and create a need for them to seek new markets. The situation may have a significant economic effect on the region due to the ties between Central Europe and Russia, leading to increased economic risk and the need for business leaders to develop scenarios for potential changes. This is reflected in the recent Polish edition of the *CFO Survey*, conducted in mid-2014, which shows that the financial directors of Polish companies are worried about the stability of the region. Moreover, the stability of the main pro-growth factor for CE countries – export to the eurozone countries – should not be taken for granted due to worsening sentiments in Germany (confirmed by the latest ZEW indicator value). Also, the PMI value in Poland decreased at the beginning of this year and reached the recession level in July. Additionally, in the first quarter of 2014 we noted a median - 3.1% decrease in the revenues of CE's largest companies.

Graph 1: Median revenues change 2013 vs 2012 *(by country)*



Zero growth in CE's median revenues

The economic slowdown is reflected in the results of companies from the region. In 2013 we observed stagnation in average revenues expressed in euros. The median revenue change among the CE region's largest companies was 0%, down from 3.3% in the previous year. Lithuania delivered relatively good results in this parameter, with an average revenue growth of 6% but is represented by only 13 companies in the Top 500. Relatively high average revenue growth was also recorded in Romania (4.7% in EUR and 3.9% in RON).

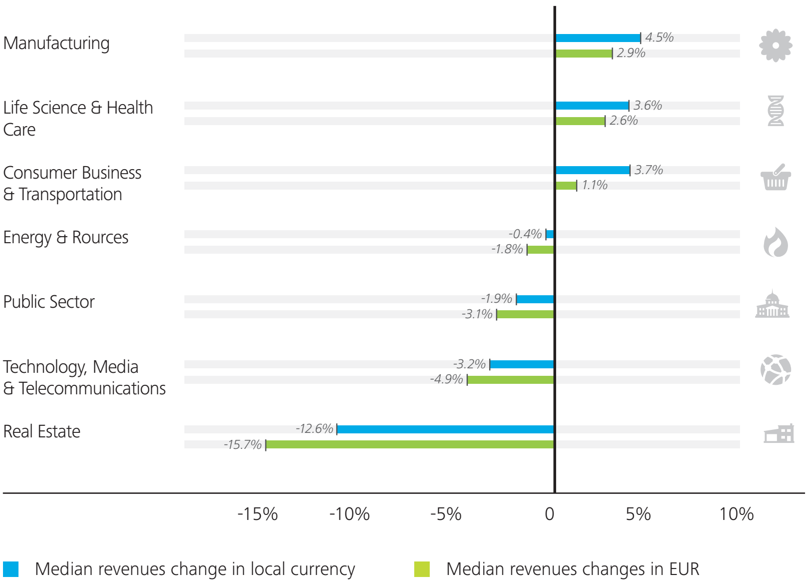
Poland continues to lead the CE Top 500 Ranking with 161 companies. In this edition of the Ranking, the largest increase in number of companies is recorded by Romania (up by six companies). Together with Ukraine they experienced the highest increase in the number of companies in the Consumer Business & Transportation sectors (up by five in Romania and by three in Ukraine). Lower numbers were recorded by Slovenia and Hungary (both down by three companies compared with the last year), for whom the median decrease in revenue in euros in 2013 was greater than for the whole CE region.

A breakdown of the Top 500 by sector shows that Manufacturing sector was on the rise in the Ranking and delivered an average growth of 2.9%, which was the consequence of a decline in the processing sub-sector (-1.2%) alongside an increase in the automotive sector (with average growth of 5.8%, up from 1.7% in 2012).

Consumer Business & Transportation have been on the rise for the past few years, but company revenues in these sectors increased by only 1.1% in 2013 (as compared to an average increase of 4.8% in 2012). This slowdown was primarily caused by the poorer performance of consumer product manufacturers, whose average growth was around 1.8% (down from 10.7% in 2012). To a lesser degree, it was also due to poorer results from the Retail sector (up by just 1.7% against 3.4% in the previous year).

Graph 2: Geographical structure of companies

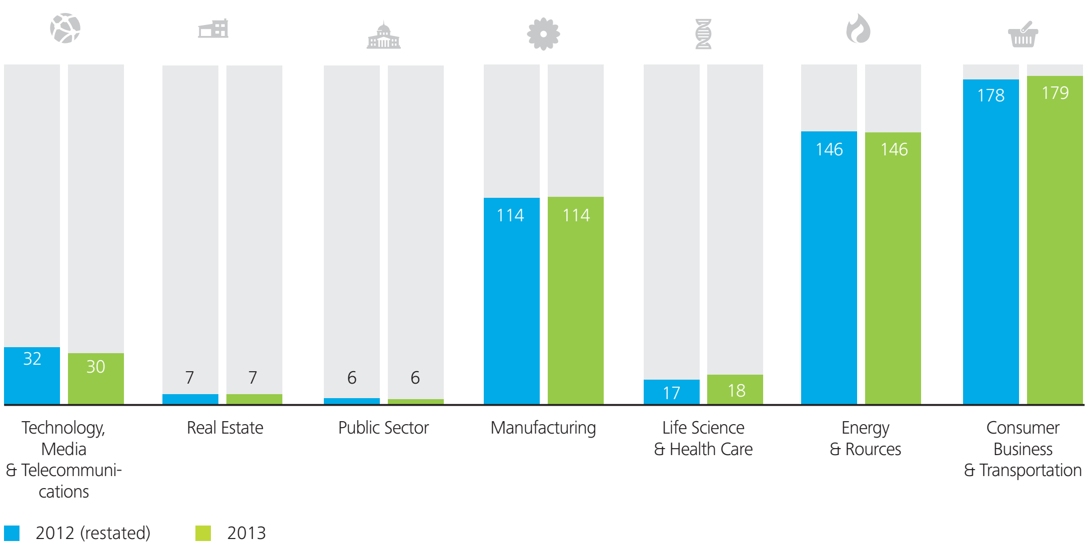
Graph 3: Median revenues change 2013 vs 2012 *(by industry)*



Average revenues in the Energy & Resources sector (with 146 companies in the Ranking) fell by -1.8% (compared with a 3.5% increase the year before). With an average fall of -4.2%, the results of the Gas & Oil sub-sector (61 companies) negatively affected the results of the sector as a whole. The Mining sub-sector experienced a much more significant downturn, with a median fall of -10.1% (but it was represented by only nine companies in the Ranking). Growth also stagnated in the Energy Production & Distribution sub-sector, where revenues rose by a mere 0.6% in 2013 (down from 3.1% in 2012).

Real Estate, which is represented by just seven companies, suffered the biggest fall in revenues (-15.7%). In the Technology, Media & Telecommunications (TMT) sector, 2013's fall in revenues in EUR was worse than the previous year's decline (-4.9% in 2013 compared to -3.2% in 2012).

Graph 4: Sector structure of companies



Value by capitalisation

In this year's Ranking, eight out of the 10 companies with the largest market capitalisation are listed on the Warsaw Stock Exchange. After a short-term change in leadership in terms of capitalisation (when market value of ČEZ decreased by 30% year-on-year) at the end of 2013, ČEZ once again regained first place from PKO Bank Polski.

Table 1: Top companies by market capitalisation *(in EUR million)*

Rank	Company	Country	31.12.2012	31.12.2013	31.12.2014	31.12.2013 / 31.12.2012 (EUR)	31.07.2014 / 31.12.2012 (EUR)	31.07.2014 / 31.12.2013 (EUR)
1	ČEZ	Czech Republic	14,556	10,149	11,411	-30%	-22%	12%
2	PKO Bank Polski	Poland	11,320	11,879	10,646	5%	-6%	-10%
3	Pekao	Poland	10,789	11,358	10,424	5%	-3%	-8%
4	PGE	Poland	8,356	7,338	9,304	-12%	11%	27%
5	PZU	Poland	9,261	9,346	9,090	1%	-2%	-3%
6	BZ WBK	Poland	4,431	8,741	8,427	97%	90%	-4%
7	PGNiG	Poland	7,544	7,325	6,832	-3%	-9%	-7%
8	Komercni Banka	Czech Republic	6,065	6,132	6,178	1%	2%	1%
9	KGHM	Poland	9,326	5,689	6,141	-39%	-34%	8%
10	OMV PETROM	Romania	5,457	5,950	6,139	9%	13%	3%
11	INA	Croatia	5,191	4,665	5,246	-10%	1%	12%
12	mBank	Poland	3,371	5,083	4,726	51%	40%	-7%
13	ING Bank Śląski	Poland	2,906	3,555	4,077	22%	40%	15%
14	PKN Orlen	Poland	5,196	4,227	3,786	-19%	-27%	-10%
15	MOL	Hungary	6,384	5,104	3,778	-20%	-41%	-26%
16	OTP BANK	Hungary	3,997	3,873	3,636	-3%	-9%	-6%
17	Cyfrowy Polsat	Poland	1,403	1,663	3,580	19%	155%	115%
18	LPP	Poland	2,045	3,973	3,417	94%	67%	-14%
19	Citi Handlowy	Poland	3,152	3,307	3,407	5%	8%	3%
20	Orange Polska	Poland	4,009	3,100	3,234	-23%	-19%	4%
21	O2 Czech Republic	Czech Republic	4,147	3,467	3,108	-16%	-25%	-10%
22	Richter Gedeon	Hungary	2,322	2,766	2,286	19%	-2%	-17%
23	Bank Millennium	Poland	1,316	2,106	2,177	60%	65%	3%
24	Krka	Slovenia	1,771	2,126	2,150	20%	21%	1%
25	Tauron	Poland	2,043	1,846	2,126	-10%	4%	15%

Table 2: Breakdown of ownership by industry

Status 2013	External parties	CE parties	State owned	Total
Consumer Business and Transportation	108	58	13	179
Energy and Resources	51	31	64	146
Life Sciences and Health Care	12	6	-	18
Manufacturing	81	27	6	114
Public Sector	-	-	6	6
Real Estate	5	1	1	7
Technology, Media and Telecommunications	22	6	2	30
Total	**279**	**129**	**92**	**500**

Status 2013	External parties	CE parties	State owned	Total
Bosnia and Herzegovina	2	-	1	3
Bulgaria	3	3	1	7
Croatia	1	7	4	12
Czech Republic	44	22	13	79
Estonia	2	2	1	5
Hungary	48	9	6	63
Latvia	5	1	1	7
Lithuania	4	7	2	13
Poland	90	33	38	161
Republic of Macedonia	1	-	-	1
Romania	33	4	5	42
Serbia	4	3	3	10
Slovakia	20	1	7	28
Slovenia	4	9	3	16
Ukraine	18	28	7	53
Total	**279**	**129**	**92**	**500**

Company ownership

The number of companies controlled by the State is in decline. At the same time, those controlled by Central European entities increased from 114 in 2012 to 129 in 2013, mainly driven by companies from the Energy and Industrial sectors.

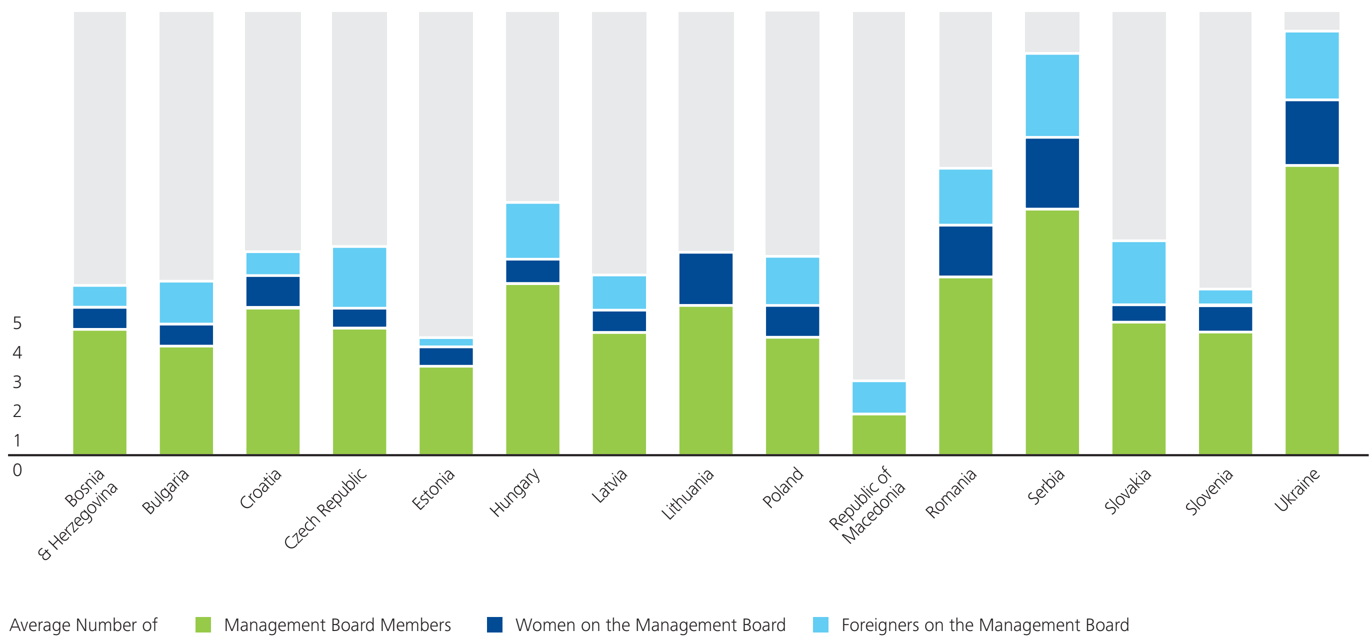
In total there are fewer companies in the Top 500 that are under capital control from outside EU. This decline applied for all sectors except for Consumer Business & Transportation and Life Sciences and Health Care (both up by two companies).

An increase in CE-owned companies was recorded in the Czech Republic and Hungary, leading to a decrease in those under external control.

Management and supervisory boards

This is the second time that we have examined the composition of management and supervisory boards in companies in Central Europe, analysing the number of women and foreigners represented.
In CE's 500 largest enterprises, the average number of management board members is 4.75, of which 17.0% are women (up from 12.2% in 2012) and 33.5% are foreigners (compared to 23.8% in 2012).
There are more members on average of supervisory boards (5.7 people) but they are characterised by similar proportions of women and foreigners: on average 16.4% are female (up from 12.8% last year), and 38.8% are foreigners (compared to 28.6% in 2012.).

Graph 5: Average of Management Board Members by Country (2013)



The highest proportion of women in management boards in Central European countries was among Lithuania companies (32.3%) and the lowest in Slovakia (6.1%).

The bigger picture

In conclusion, 2013 saw a slowdown in revenue growth among the largest companies in Central Europe. This is the third year in a row which showed an increase in the number of companies reporting a decline in revenues. This negative trend is also confirmed by the results of the Top 500 for the first quarter of 2014 (with an average revenue decrease of -3.1%). The macroeconomic data does not give much cause for optimism. The main factor which has supported economic growth in Central Europe was a recovery in the eurozone, which triggered the growth of exports among CE countries. However, the stability of this pro-growth factor is questionable, taking into account the deterioration in sentiments in Germany, as evidenced by the latest ZEW indicator readings. Positive sentiments among CE business leaders and CFOs in 2013 (as indicated by the PMI measure, as well as the results of the Deloitte CE CFO Survey carried out in October-November 2013) have worsened in the first half of 2014. The latest Polish edition of the *CFO Survey*, conducted in mid-2014, showed that companies are worried about the stability of the region's geopolitical situation.

Observable trends suggest a worsening situation in Central Europe and are hindering optimism in the financial forecasts for the region's largest companies in the months to come. The management boards of CEE based companies are therefore under a real and significant challenge how to grow revenue in this environment.

Banking

By *Grzegorz Cimochowski*
Regional FSI Strategy Partner, Deloitte

Important changes affect the business of banking

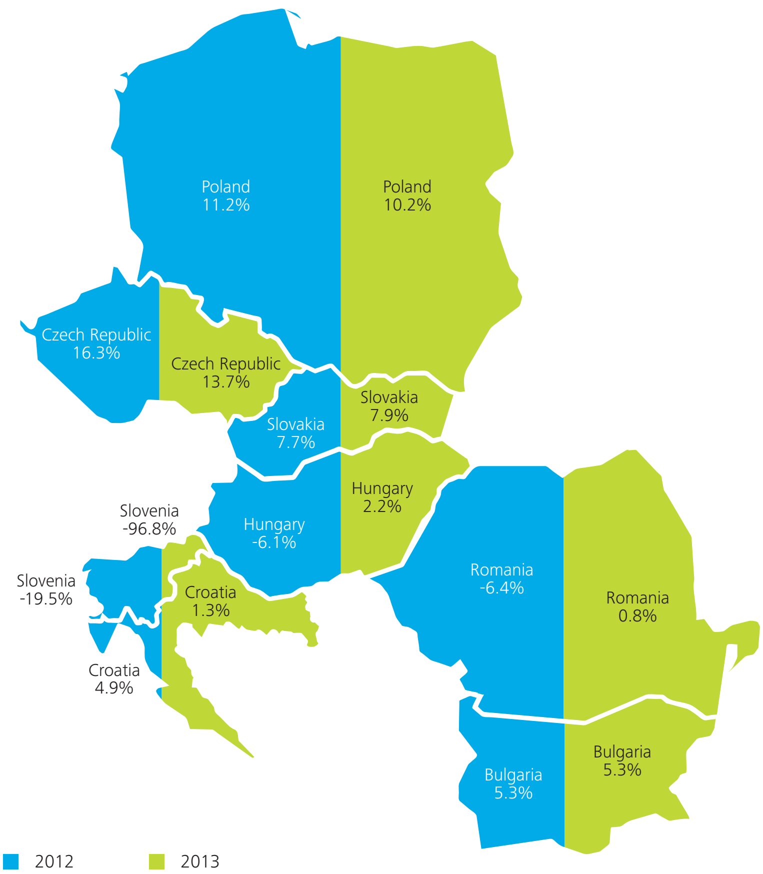
In a similar fashion to the results of the last year classification, financial institutions from Poland and the Czech Republic lead the ranking of the 50 largest Central European banks this year. The top ten includes five banks originating from Poland, three Czech banks, one Hungarian and one Ukrainian. PKO BP has successfully retained its leading position, even though the data examined for ranking purposes did not include the Polish assets it has taken over from the Nordea group.

"Before this "brave new world" prevails permanently, banks need to improve their organisation and adapt to a fast-moving environment that can move in unpredictable directions."

Mateusz Morawiecki, President
Bank Zachodni WBK

In one of the most important changes at the top of the Ranking, BZ WBK, which has merged with Kredyt Bank and announced plans to acquire a 60% stake in Santander Consumer Bank group, has risen from 11th place last year to 7th this year. Oschadbank from Ukraine has also made a significant move up the Ranking – by 12 places, from 36th to 24th.

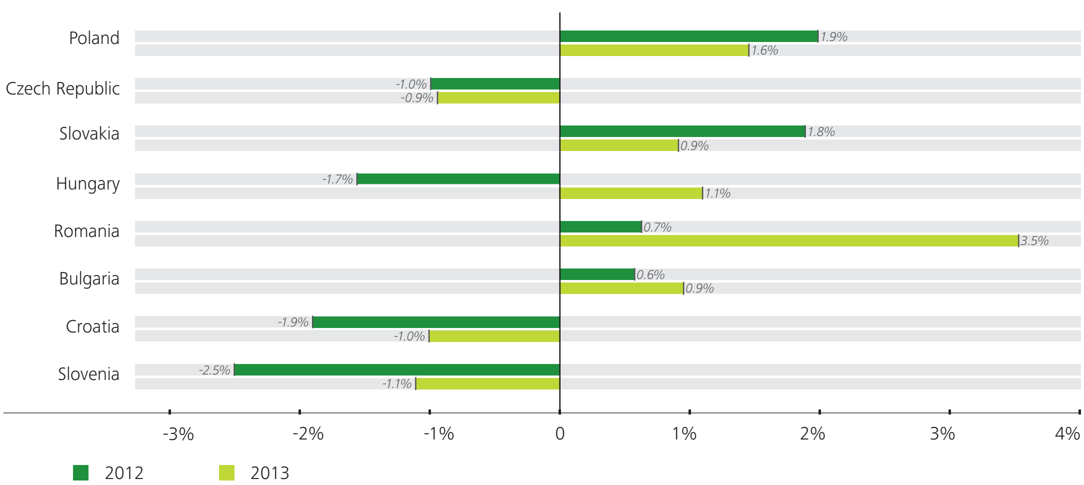
Graph 6: ROE in 2013 (versus 2012)



Profitability

The profitability of the CE banking sector fell in 2013, and the north/south performance divide remained. The most profitable banking sectors were in the Czech Republic and Poland, although both suffered erosion of ROE, while stronger loan volumes and a more resilient margin saw ROE rise in Slovakia. Southern markets struggled. The Slovenian banking sector lost EUR 3.6 billion. Croatia remained profitable despite earnings falling by over 70%. The banking sectors of Romania and Hungary returned to profit, largely due to one-off gains and both are likely to return to loss this year. The ROE of Bulgaria's banking sector was relatively stable last year, but it might be influenced this year after the Bulgarian National Bank put CCB under special supervision.

Graph 7: GDP growth in 2013 *(versus 2012)*



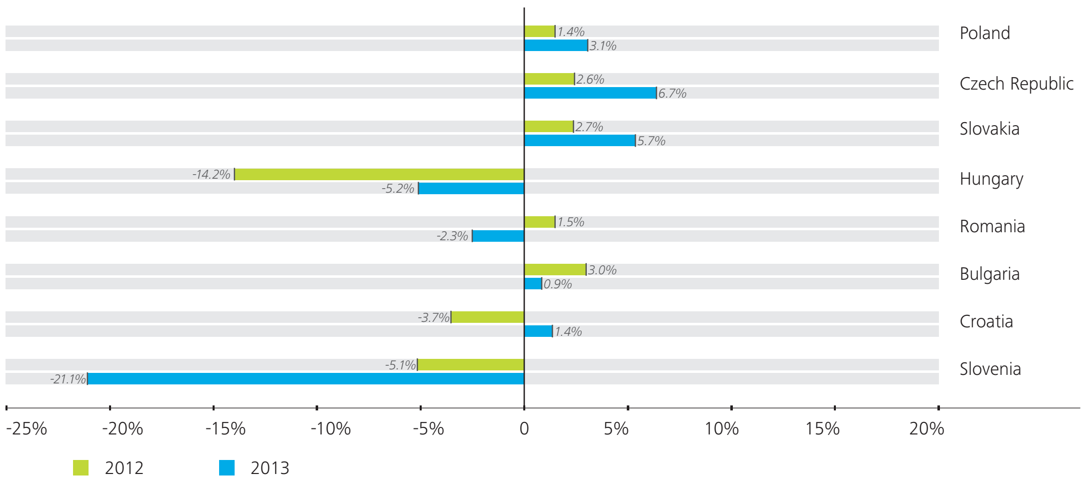
Loan growth and deleveraging

Loan growth gained momentum in the north, and deleveraging continued in the south. There was a visible pick up in GDP growth and economic confidence in CE in the second half of 2013, and although full-year GDP growth slowed in Poland and Slovakia, and the Czech Republic was in recession, loan growth accelerated in all these markets. The loans-to-deposits ratio continued to fall in southern markets. The steepest decline came in Slovenia, where loans fell by over 20%. GDP accelerated in Romania and Hungary but this was a creditless recovery, with loans declining in both countries. Loan growth in Croatia was stagnant, while the loans-to-deposits ratio fell below 90% in Bulgaria.

"The ongoing search for innovation and improved solutions involves a combination of crucial factors, including technology processes, organisational structure, marketing and product development. A focus on just one will never produce excellence."

Omer Tetik, CEO
Banca Transilvania

Graph 8: Loan growth in 2013 *(versus 2012)*



Asset quality

The relatively low Non-performing Loans (NPL) ratios in northern markets declined further as the very high southern ratios continued to rise. Those in Slovakia and the Czech Republic fell slightly while the somewhat higher NPL ratio in Poland declined more rapidly. The ratio is highest and grew most in Romania (+3.6 p.p. to 21.9%) and Croatia (+1.7 p.p. to 15.9%). Although Slovenia suffered a huge rise of NPLs, its NPL ratio (14.7%) declined after the transfer of EUR 3.26bn of bad loans to the Bank Assets Management Company (BAMC). The NPL ratio rose in Hungary and Bulgaria, but more slowly than in previous years.

Challenges

As recovery grips, healthier CE banks will place emphasis on growth. Effective customer acquisition strategies will address changing behaviours, utilising analytics, new technology and an optimised channel mix. As competition rises in the corporate segment, the need for profitable relationships will drive well-defined segmentation, sales effectiveness and coverage models.

The large NPL stockpile makes it vital to improve work-out and debt restructuring processes, and debt sales will grow. With revenue growth and profitability still under pressure in many markets, banks should continue to seek cost-saving opportunities and refocus on profitable core business.

Graph 9: NPL ratio in 2013 *(versus 2012)*

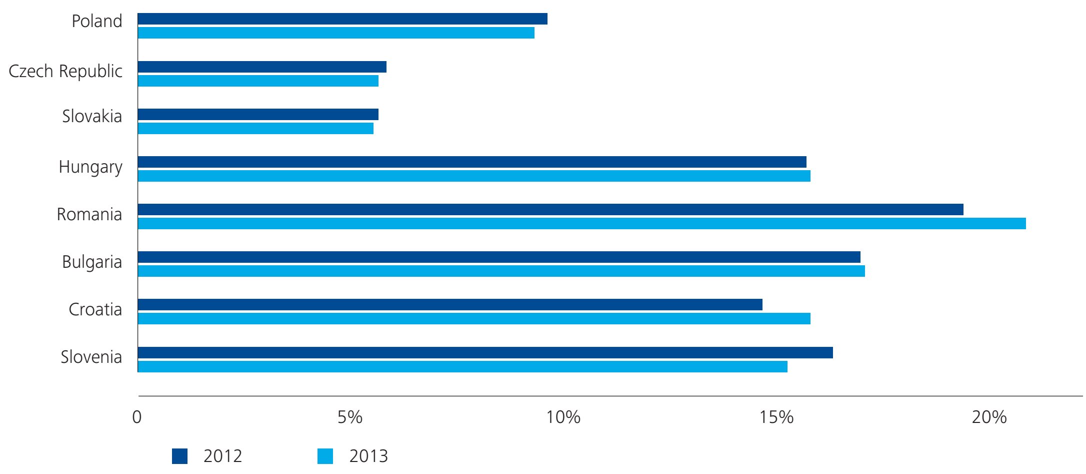


Table 2: Top 50 banks in Central Europe - Based on 2013 total assets *(All revenue and net income figures are in EUR million)*

Rank	Bank name	Country	Assets	Assets change (%)	Net income	Net income change (%)	LY Rank
			2013	2013-2012	2013	2013-2012	
1	PKO Bank Polski	Poland	48,039.9	1.7%	704.8	-16.1%	1
2 ↑	Bank Pekao	Poland	38,223.9	3.7%	659.7	-5.3%	3
3 ↓	ČSOB	Czech Republic	37,855.1	1.5%	524.2	-13.8%	2
4	Česká spořitelna	Czech Republic	35,436.9	-3.2%	598.2	-8.4%	4
5	OTP Bank	Hungary	34,963.6	0.7%	215.1	-49.5%	5
6	Komerční banka	Czech Republic	31,605.2	1.0%	495.6	-12.5%	6
7 ↑	BZ WBK	Poland	25,580.9	74.2%	478.4	36.9%	11
8 ↓	mBank	Poland	25,145.3	0.6%	247.7	-36.0%	7
9 ↓	ING Bank Śląski	Poland	20,917.9	9.3%	228.3	14.8%	8
10	PrivatBank	Ukraine	18,928.8	19.9%	189.6	46.8%	N/A
11 ↑	UniCredit Bank	Czech Republic	16,996.3	34.0%	74.2	-68.1%	17
12 ↓	ZABA	Croatia	16,199.2	1.7%	101.8	-39.2%	10
13 ↓	Getin Noble Bank	Poland	15,339.7	7.2%	95.5	14.8%	12
14 ↓	BCR	Romania	14,879.2	-10.1%	135.6	149.1%	9
15 ↑	Bank Millennium	Poland	13,748.2	6.6%	127.2	12.8%	16
16 ↓	Raiffeisen Bank Polska	Poland	12,876.3	60.5%	41.3	N/A	15
17 ↓	NLB Group	Slovenia	12,490.1	-12.9%	-1,442.1	N/A	13
18 ↑	Slovenská sporiteľňa	Slovakia	11,699.0	-0.7%	197.8	-18.7%	19
19 ↑	VÚB	Slovakia	11,556.4	3.0%	122.1	-51.8%	20
20 ↑	Citi Handlowy	Poland	10,946.8	2.9%	159.7	-48.9%	22
21	BRD	Romania	10,701.1	-3.1%	-87.0	-33.3%	21
22 ↓	BGK	Poland	10,573.1	-11.2%	175.8	53.5%	18
23 ↑	Tatra banka	Slovakia	9,468.6	4.4%	97.2	-6.1%	27
24 ↑	Oschadbank	Ukraine	9,210.6	16.3%	66.8	3.9%	36
25 ↓	PBZ	Croatia	9,180.5	-4.5%	108.4	-19.6%	24
26 ↑	Swedbank Estonia	Estonia	8,932.0	-0.3%	216.3	-11.2%	28
27 ↑	Erste Croatia	Croatia	8,884.2	1.7%	26.5	-66.5%	30
28 ↑	K&H Bank	Hungary	8,629.8	2.1%	58.7	-17.4%	31
29 ↓	BGŻ	Poland	8,626.8	-5.3%	8.6	-89.2%	26
30 ↑	Ukreximbank	Ukraine	8,447.6	2.1%	18.9	41.5%	33
31	DB Polska	Poland	8,367.6	-1.7%	60.1	-12.4%	N/A
32	Bank BPH	Poland	7,958.1	-5.5%	45.7	-26.0%	32
33 ↑	Hypoteční banka	Czech Republic	7,826.4	-2.2%	109.8	-1.4%	35
34 ↓	Erste Bank Hungary	Hungary	7,634.4	-20.2%	-83.7	N/A	25
35 ↑	Raiffeisenbank	Czech Republic	7,207.1	-8.3%	37.7	-53.1%	37
36 ↑	Banca Transilvania	Romania	7,189.8	7.2%	92.5	18.9%	41
37 ↑	Unicredit Bulbank	Bulgaria	6,921.4	6.8%	90.0	-19.3%	44
38 ↑	SEB bankas	Lithuania	6,832.4	2.0%	61.5	150.1%	42
39 ↓	MKB	Hungary	6,608.4	-25.4%	-410.0	-34.7%	29
40 ↑	UniCredit Romania	Romania	6,358.8	-0.2%	21.4	-15.7%	45
41 ↑	ČSOB Slovakia	Slovakia	6,284.7	4.3%	57.7	-26.2%	47
42 ↓	Raiffeisen Bank	Hungary	6,235.9	-13.5%	-131.6	33.4%	39
43 ↓	CIB Bank	Hungary	6,228.3	-14.4%	-458.8	13.0%	38
44	Alior Bank	Poland	6,160.8	18.9%	53.9	N/A	N/A
45 ↓	Českomoravská stavební spořitelna	Czech Republic	6,057.3	-9.7%	53.8	-26.4%	43
46 ↑	Raiffeisen Bank Romania	Romania	6,007.5	10.8%	109.4	22.8%	50
47 ↓	CEC	Romania	5,994.5	-1.2%	9.9	20.1%	46
48	UniCredit Hungary	Hungary	5,960.4	4.8%	21.6	-70.3%	48
49	Swedbank Lithuania	Lithuania	5,662.4	0.8%	114.4	6.8%	49
50	BNP Paribas Bank Polska	Poland	5,091.9	-0.1%	24.2	N/A	N/A

Insurance

*By **Krzysztof Stroiński**, Deloitte Partner*
Leader of CE Actuarial and Insurance Services

The relatively slow economic growth, continued low interest rate environment and heightened competition in a marketplace, including competition across borders, makes it increasingly difficult for insurers to drive growth.

Across the whole industry, insurance companies face common challenges. They are facing the need to develop innovative bundles of products and services, cross sell effectively, strengthen their relationships with agents and brokers to drive growth. Paying necessary attention to the new technologies that are transforming the distribution network and client interactions, they must keep up with increasing regulatory scrutiny, as well as escalating attention to any financial and reputational risks.

In 2013, the average decrease in Gross Written Premiums (GWP) for insurers ranked in the top 50 amounted to 0.8%. This means a further drop compared to 2012 (a decrease of 0.2%) and the reversal of the 1.5% average growth recorded in 2011. The sum of GWP declined for all the companies included in the ranking by 3.0%. More than half of the insurers in the TOP 50 (26 institutions) reported a decrease in GWP (no change compared to 2012). The average decline in GWP is an evidence of stagnation in the insurance sector.

The total GWP of the region's 50 largest insurers went down by 5.0% to EUR 23.5 billion. The biggest change in the ranking was recorded by Grupa Europa from Poland (109.6% increase of GWP) moving from 36th position to 10th, and Sava RE from Slovenia, moving from 30th to 19th (42% increase). Biggest loss of the ranking position was noted by ČSOB Pojišťovna, which moved down from 9th to 21st and had a decrease in GWP of -32.2%. However, the biggest percentage decrease in GWP was recorded by Benefia (VIG). It amounted to -50.9% and was the result mainly of withdrawal from locked-in investments by Benefia Życie.

Poland again dominates the sector, with 16 entries in the top 50, the Czech Republic being second with 11. Geographical concentration in the insurance sector is even greater than in the case of banks - 42 insurers from the Top 50 come from Poland, the Czech Republic, Hungary, Slovenia and Romania.

CE insurers' growth prospects will be impacted by the possibility of economic recovery. The way insurers traditionally conduct their business will be challenged by new competition from both within and outside the traditional insurance industry. It will be interesting to see how the situation in CE evolves in the coming years, taking into account changes on the market and the geopolitical situation in our region.

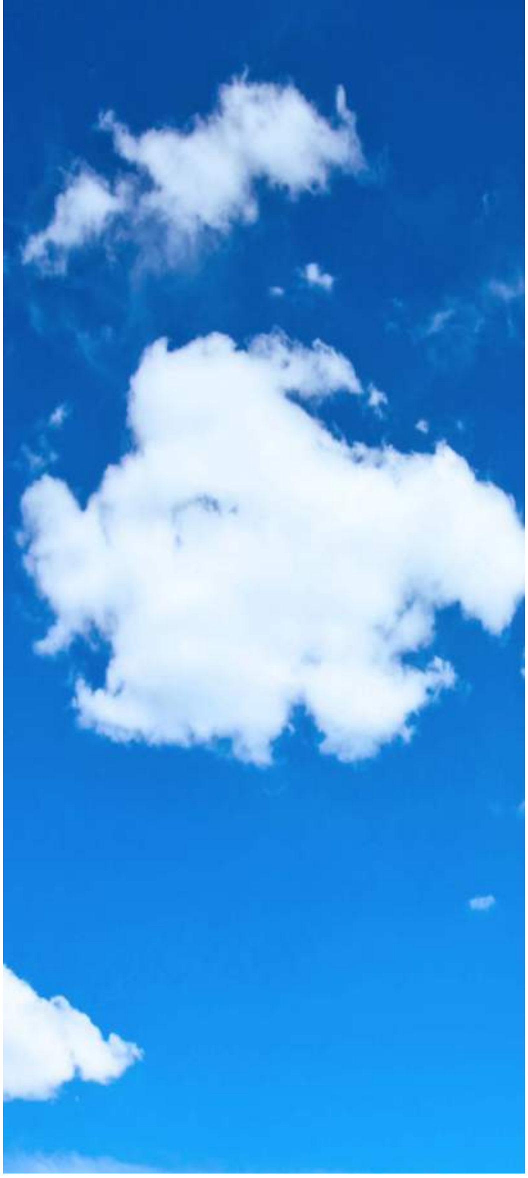
Table 3: Top 50 insurance companies in Central Europe - Based on 2013 gross written premium *(All GWP and net income figures are in EUR million)*

Rank		Company name	Country	Gross Written Premium	Gross Written Premium change (%)	Net income	Net income change (%)	LY Rank
				2013	2013-2012	2013	2013-2012	
1		PZU	Poland	3913.6	0.8%	782.5	0.6%	1
2	↑	Česká pojišťovna	Czech Republic	1241.8	-2.9%	172.7	17.1%	3
3	↓	WARTA	Poland	1234.3	-16.2%	59.6	-6.9%	2
4		Kooperativa pojišťovna	Czech Republic	1202.8	-1.3%	132.5	2.5%	4
5		Ergo Hestia	Poland	1006.1	-0.6%	41.2	-32.0%	5
6	↑	Triglav Group	Slovenia	900.9	-3.8%	69.9	-4.6%	7
7	↑	Allianz Polska	Poland	552.8	-33.0%	31.8	-1.1%	8
8	↑	Aviva Polska	Poland	532.1	1.1%	140.5	-0.9%	11
9	↑	Allianz - Slovenská poisťovňa	Slovakia	517.3	-1.3%	42.5	-67.3%	10
10	↑	Grupa Europa	Poland	511.8	109.6%	26.5	-22.2%	36
11	↑	Kooperativa	Slovakia	509.1	3.7%	34.9	-49.7%	12
12	↑	ING Polska	Poland	483.5	14.5%	N/A	N/A	17
13	↑	MetLife Polska	Poland	471.9	15.9%	59.8	11.3%	20
14	↓	Benefia	Poland	460.7	-50.9%	N/A	N/A	6
15	↓	Allianz pojišťovna	Czech Republic	455.9	-1.0%	36.0	-6.8%	14
16	↓	Generali Polska	Poland	454.3	-5.6%	N/A	N/A	13
17	↓	Pojišťovna České spořitelny	Czech Republic	436.1	2.4%	30.4	-25.0%	16
18	↓	Allianz Hungária	Hungary	434.1	-5.5%	25.5	72.8%	15
19	↑	Sava RE	Slovenia	386.7	42.8%	15.6	32.5%	30
20	↓	Compensa	Poland	384.9	-7.5%	23.7	53.2%	18
21	↓	ČSOB Pojišťovna	Czech Republic	369.6	-32.2%	24.4	-1.2%	9
22	↓	Generali Hungary	Hungary	369.2	-3.2%	17.0	129.9%	21
23	↓	UNIQA Polska	Poland	358.3	1.7%	3.0	35.1%	22
24	↑	AXA	Poland	344.5	30.5%	-5.4	67.8%	32
25	↓	Croatia osiguranje	Croatia	341.1	-3.7%	2.3	-85.5%	19
26	↑	Komerční pojišťovna	Czech Republic	320.7	31.0%	16.1	130.1%	35
27	↓	Generali CZ	Czech Republic	311.0	-3.6%	-1.7	-106.6%	24
28		Adriatic Slovenica	Slovenia	309.1	13.9%	12.9	-3.6%	28
29	↓	Groupama Garancia Biztosító	Hungary	307.1	2.0%	14.7	-7.1%	25
30	↓	Česká podnikatelská pojišťovna	Czech Republic	277.6	0.2%	19.5	8.4%	26
31	↓	AEGON Magyarország	Hungary	273.9	0.8%	29.8	-28.3%	27
32	↓	Vzajemna	Slovenia	267.0	-1.4%	6.8	17.1%	29
33	↓	InterRisk	Poland	256.8	-4.4%	21.8	71.5%	31
34	↓	Zavarovalnica Maribor	Slovenia	252.0	-4.5%	4.8	-37.2%	33
35	↓	Astra Asigurari	Romania	242.3	-4.7%	N/A	N/A	34
36	↑	ING Biztosító	Hungary	238.1	4.0%	1.4	108.1%	38
37	↑	Aegon Polska	Poland	234.0	23.9%	4.9	4.3%	42
38	↑	UNIQA pojišťovna	Czech Republic	219.4	-0.9%	9.7	-25.2%	39
39	↑	Allianz-Tiriac	Romania	208.1	2.9%	20.1	N/A	41
40		ING Životní pojišťovna	Czech Republic	204.5	-11.1%	16.2	-27.9%	40
41	↑	UNIQA Biztosító	Hungary	203.1	7.8%	-3.8	-71.9%	43
42	↓	Omniasig	Romania	199.5	-13.5%	N/A	N/A	37
43	↑	Generali Slovensko	Slovakia	175.9	-4.6%	6.1	-74.6%	44
44	↑	Komunálna Poisťovňa	Slovakia	170.5	3.7%	6.7	-43.7%	46
45		Groupama	Romania	162.5	-10.4%	-10.3	47.6%	45
46	↑	BZ WBK-Aviva	Poland	159.3	-2.4%	8.3	33.8%	47
47	↑	Allianz Zagreb	Croatia	154.8	7.6%	12.9	7.6%	49
48		AXA životní pojišťovna	Czech Republic	152.5	43.3%	9.5	1.0%	N/A
49		BTA LV	Latvia	150.8	14.0%	6.0	-8.7%	N/A
50		Dunav Osiguranje	Serbia	149.5	6.6%	-7.6	48.8%	N/A

Energy & Resources

*By **Farrukh Khan**, Deloitte Partner*
Leader of CE Energy & Resources

With 146 entrants, Energy & Resources (E&R) companies comprise a significant proportion of the top 500. The sector is characterized by a large scale of revenues, which means that 42% of the total ranking revenues are generated by 29% E&R companies. Average revenues in the sector fell by -1.8% (compared with a 3.5% increase the year before). With an average fall of -4,2 %, the results of the Gas & Oil sub-sector (61 companies) negatively affected the results of the sector as a whole. Growth also stagnated in the Energy Production & Distribution sub-sector, where revenues rose by only 0.6% in 2013 (down from 3.1% in 2012).



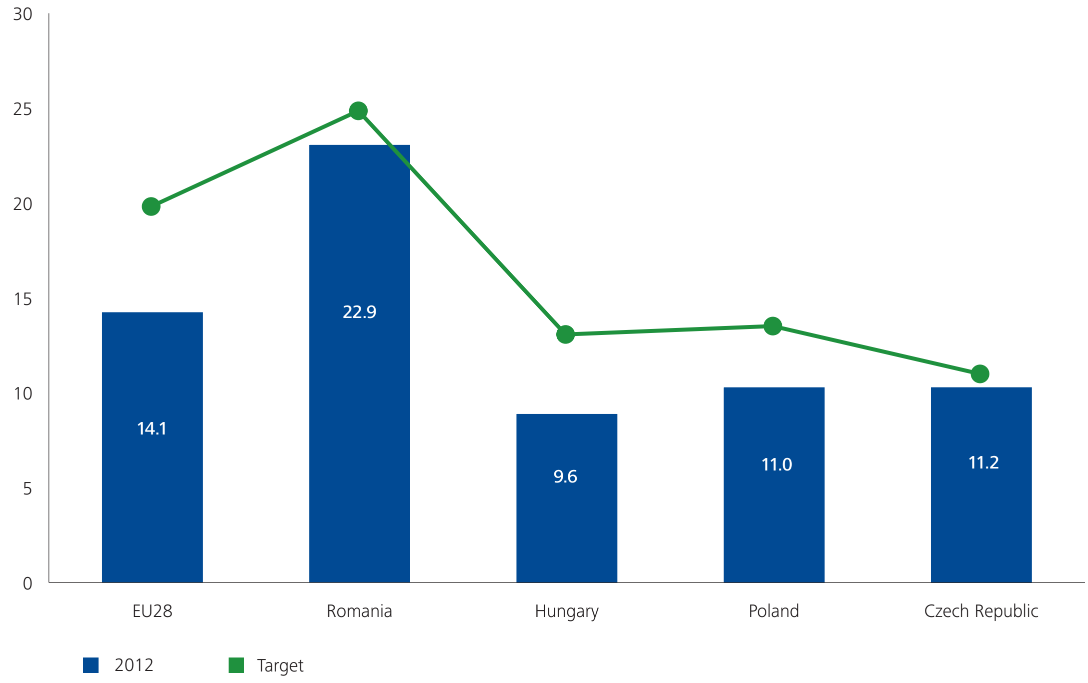
"The energy industry has always been the backbone of the economy. However, in order to remain so, it needs to be able to successfully predict the future."

Ivan Lapin
CEO of Severočeské doly

Even though PKN Orlen has managed to maintain its leading position in terms of revenues (with the sales at the level of EUR 27 billion), the Company saw a year-on-year revenue decrease (as compared with the data for 2012, a drop by over 5% in 2013). The same thing applies to the majority of large power concerns, such as MOL, CEZ, PGE and many others. PGNiG, whose revenues increased in 2013 by over 11%. is a noteworthy exception to this rule.

The landscape for energy and resources in Central Europe faces challenge on a number of fronts. Decarbonising our economies in line with EU policy, while controlling the cost of decarbonisation, is a big challenge for almost all CE countries. As can be seen in Graph 10, apart from Romania major CE countries such as Hungary, the Czech Republic and Poland still have some way to go to meet their Europe 2020 targets for the use of renewable energy.

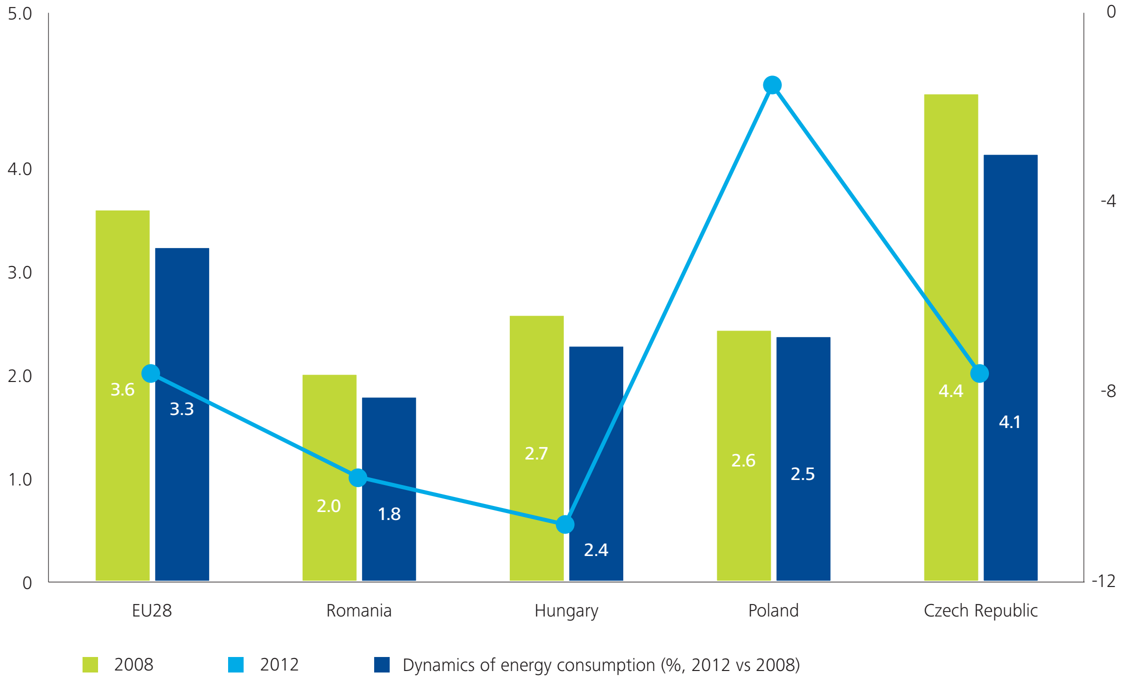
Graph 10: Share of renewable energy in gross final consumption in 2012 vs. target *(%)*
Source: latest available Eurostat data, Deloitte calculations



On the one hand, the investment needed to achieve these targets provides an exciting opportunity. On the other, regulatory and affordability uncertainties, coupled with uncertain growth in demand, are making investment decisions hard to reach.

Investing in nuclear power still has its challenges. If the EU were to diverge from its current environmental policy for 2050, nuclear power could probably be left out of the Polish energy mix, for purely economic reasons. Given the high emission rate of Poland's coal-based power industry, however, nuclear power could be argued to be a decarbonisation solution. In January 2014, the Polish Nuclear Power Programme was approved. According to the assumptions made in that document, the first block of the first Polish nuclear power plant will enter commission at the end of 2024. However, we have seen CEZ's decision to shelve for the time being a project to build nuclear power generation units (designed to address both decarbonisation and costs issues) as the business case faced too many uncertainties. After a failed attempt, Romania has started once more to look at new units of nuclear power generation. The outcome remains to be seen.

CE's existing conventional electricity-generation capabilities require significant investments and upgrades. However, we understand the challenges investors face in making the right assumptions in terms of future demand, pricing and regulatory environment. The falling price of electricity, coupled with average incomes across CE remaining below both the EU 28 and 2008's pre-crisis level (see Graph 11), is making this a difficult environment for authorising new investment or the capital expenditure required to maintain existing infrastructure.



Graph 11: Gross inland energy consumption per capita *(Thousands of TOE)*
Source: based on the most recent Eurostat data

However, we note a number of positives. Romania is currently re-assessing the effectiveness of its state-owned electricity generation sector. The Romanian national electricity transmission company announced a EUR 1.2 billion investment over the next 10 years to upgrade the country's transmission infrastructure, while the Czech transmission company has also announced a EUR 2 billion investment for the same purpose. Investments in interconnections, linking markets and regionalisation plans are underway. Romania is in a very advantageous and exciting position when it comes to its hydrocarbon industry, with new oil and gas finds in the Black Sea coming on-stream and work getting underway to assess its unconventional oil and gas reserves.

"The overall environment inside the energy industry is a constant source of new challenges for Polish power utilities."

Marek Woszczyk
Chairman of the Board, PGE Group

Poland has started to return to considering its own unconventional resources potential. The Oil & Gas upstream sector is poised for growth, although midstream and downstream still face some challenges for growth in a number of countries, even though current results are quite positive. The gradual development of the Polish gas market is clearly underway: for instance, trading in natural gas was launched on the Polish Power Exchange in December 2012, and new amendments to the Energy law have introduced a public trading obligation to sell up to 55% of the annual gas volume on the Exchange. Romania has also made it mandatory for producers to sell natural gas on trading platforms (20% in 2014).

All in all, Energy remains an exciting but challenging sector for most CE economies. While it is challenging in the medium term, the long-term outlook points towards increased but focused investment activity in the Energy sector. The role of policy makers is essential, particularly in ensuring a balance between the need to attract investment to the sector, address decarbonisation requirements, meet efficiency targets and ensure affordability.

Table 4: Top 10 in Energy & Resources within Central Europe *(All revenue and net income figures are in EUR million)*

Rank	Top 500 Rank		Top 500 Rank LY	Company name	Country	Revenue from sales 2013	Revenue change (%) 2013 -2012	Net income 2013	Net income change (%) 2013-2012	Revenue from sales Q1 2014	Revenue change (%) Q1 2014 Q1 2013
1	1		1	PKN Orlen	Poland	27,037.2	-5.8%	-26.1	-106.4%	5,757.1	-12.8%
2	2		2	MOL	Hungary	18,121.1	-5.5%	-65.1	-112.0%	3,621.5	-16.6%
3	5	↑	7	DTEK	Ukraine	8,721.6	8.9%	313.1	-45.8%	N/A	N/A
4	6		6	ČEZ	Czech Republic	8,344.0	-2.6%	1,353.1	-15.3%	1,937.4	-17.0%
5	7	↑	8	Energorynok	Ukraine	8,033.1	0.8%	4.7	10.1%	1,662.7	-19.5%
6	9	↑	13	PGNiG	Poland	7,627.7	11.1%	480.4	-1.8%	2,276.4	-7.8%
7	10		10	PGE	Poland	7,158.6	-1.7%	1,044.1	25.6%	1,653.9	-11.8%
8	11	↓	5	Naftogaz of Ukraine	Ukraine	7,010.8	-25.8%	-1,176.6	-10.6%	N/A	N/A
9	12	↓	11	RWE Supply & Trading CZ	Czech Republic	6,920.8	-4.0%	923.1	-55.4%	1,806.5	-15.3%
10	13	↓	9	Lotos	Poland	6,791.1	-14.2%	29.3	-90.4%	1,713.1	-0.7%

"The development of the internet has permanently changed how customers perceive their relationships with energy suppliers. And some technological solutions, for example energy storage and generation from renewable sources, have brought lasting changes to the energy business model."

Filip Thon, CEO
RWE Polska and Member of the Board, RWE Retail

Technology, Media & Telecommunications

*By **Jakub Bojanowski**, Deloitte Partner responsible for TMT sector in Poland*

The majority of companies in the Ranking from the Technology, Media & Telecommunications sector are telecommunications operators. The Ranking, which is based on revenues, clearly tends to favour large countries. In practical terms, the positions occupied by individual operators primarily depend on the size of the market they function in. The challenges they face seem largely to be the same for all: competitive pressures forcing companies to reduce their prices and the need to invest in new technologies and higher levels of customer service. The past few years have also been a time of rapid progress for Long-Term Evolution (LTE) services, translating into high costs that are not necessarily balanced out by increased revenues.

As a consequence of the need to find new revenue sources, operators have to broaden their service offers. By implication, this will force them to move away from their traditional business models as they seek new revenue or consolidation opportunities that will deliver enhanced operational efficiency and other synergy benefits. A lot is happening in cooperation with sectors such as banking and energy, and service portfolios are being extended by additional ICT products such as cloud services and data centres.

Content, rather than the technology via which services are delivered, is the key factor that impacts consumer behaviour and extends the service market. An important element in building competitive advantage is the ability to generate and provide valuable content to consumers on the full range of platforms. This is driving the global renaissance of services like premium Pay TV services, which are becoming a competitive threat for traditional telecommunications companies.

Most media organisations are not included in the Ranking. Despite the number of companies restructuring their ownership in recent times, the media market is territorial, meaning that local media businesses or even large national TV stations are too small to find their way into the Top 500.

Cyfrowy Polsat is an interesting exception. Following the acquisition of a telecoms operator, it now operates in both the media and the telecommunication sector and it is the only media company large enough to be included in the ranking. It recorded a rise of 20 positions, from 343th to 323th.

Although the Ranking includes such technology companies as FoxConn, which is the sector's highest-ranked representative, their presence is linked with the location in the CE region of production plants rather than R&D centres. While such organisations have a strong market presence and a gradually rising turnover, these are not due to unique offers and know-how developed in the region, but rather to the growing global demand for electronic devices. The technology companies named in the Ranking should therefore be treated as representatives of the Production sector rather than as high-tech firms.

The revenue threshold appears to be too high for most companies providing technology-related services – almost no local players or branches of

"The data revolution has finally arrived in Poland's mobile industry. Today, fast, reliable mobile access to the internet is the norm that customers expect. Combined with the rapid development of effective and affordable mobile devices, this forms the background of a real leap in industry productivity in many sectors, both private and public."

Jorg Bang-Jensen, CEO
Play

"Telecom operators will expand their activities to include products like mobile and financial services, Internet TV and mobile applications and content development."

Petr Chernyshov, CEO
Kyivstar

Table 5: Top 10 in Technology, Media & Telecommunications within Central Europe *(All revenue and net income figures are in EUR million)*

Rank	Top 500 Rank		Top 500 Rank LY	Company name	Country	Revenue from sales 2013	Revenue change (%) 2013 -2012	Net income 2013	Net income change (%) 2013-2012	Revenue from sales Q1 2014	Revenue change (%) Q1 2014 Q1 2013
1	33	↓	26	FOXCONN CZ	Czech Republic	3,723.4	-11.2%	38.8	13.6%	N/A	N/A
2	43	↓	36	Orange Polska	Poland	3,068.9	-9.2%	78.1	-58.8%	714.9	-9.1%
3	72		72	Magyar Telekom	Hungary	2,139.2	1.5%	96.8	-39.2%	490.8	-6.7%
4	83	↓	77	O2 Czech Republic	Czech Republic	1,872.6	-8.9%	233.0	-12.8%	N/A	N/A
5	102	↓	82	Flextronics International	Hungary	1,630.2	-16.0%	2.8	-85.7%	N/A	N/A
6	106	↓	97	Polkomtel	Poland	1,586.8	-6.9%	N/A	N/A	382.6	-5.2%
7	107	↓	100	T-Mobile Polska	Poland	1,578.7	-5.9%	N/A	N/A	349.2	-9.2%
8	122	↑	141	Asseco	Poland	1,400.6	6.0%	154.5	178.0%	346.2	6.9%
9	127		N/A	Ericsson Eesti	Estonia	1,353.0	1.7%	20.3	-24.3%	N/A	N/A
10	144	↑	146	Kyivstar	Ukraine	1,209.4	-6.9%	-1,296.0	N/A	223.1	-25.9%

international technology concerns have reached it. Asseco is the only exception – it has gained its position in the Ranking thanks to consolidating business across a number of markets within a single capital group located in Poland.

The regional technology market appears to be stable, and no major breakthroughs are to be expected. However, no future global technology leader seems to stand out from those other candidates that aspire to be ranked. The growing demand for tablet and smartphone applications, as pointed out in Deloitte *TMT Predictions 2014*, could be as an opportunity also for Central European IT companies. A major success in this market, based on an innovative idea, could lead a local company into the world's premier league. Skype (an idea that originated in Central Europe) is a high-profile case in point.

"The connected society we live in has drastically changed the way we communicate and use our devices. This is an opportunity for the industry to benefit from the growing need for fast anytime, anywhere internet access."

Thanasis Katsiroumpas, CEO
Mtel

Consumer Goods & Transportation

*By **Dariusz Kraszewski**, Deloitte Partner, Consulting*

Consumer Goods & Transportation sector is in a period of change. Social and economic trends amplified through technology advances have great impact on customers, markets and businesses, changing their interactions and balance of power.

In the consumer space, retailers have become the strongest market players, reshaping the scope of the market, dictating trends and delivering growth.

"Being innovative means being able to respond customers' needs as soon as they emerge. And this requires investment in products and services, as well as in processes and customer communication. "

Ryszard Tomaszewski, CEO
Tesco Polska

This is visible in the Ranking results, where there are 11 retailers among the top 20 companies, including Jeronimo Martins at number eight, the only CG&T company in the top 10 of the whole Ranking. Still, the average growth of Retail sub-sector was smaller than last year (1.7% against 3.4% last year) and there are many challenges that retailers must address.

Driven by technology and competition, the balance of power is shifting from businesses to consumers. Technology provides consumers with the ability to compare products and suppliers from around the world and buy the products they want from whichever seller will give them the best deal. This has flattened the playing field, changing the nature of how consumers make decisions. At the same time, ideas travel faster than ever and a product can become an international hit within a space of weeks.

The rise in ecommerce is changing the balance between consumers, retail and manufacturing, starting a new era in which manufacturers – big or small - can have a more direct relationship with consumers. On the other hand, retailers are becoming more independent of traditional suppliers,

Table 6: Top 10 in Consumer Goods & Transportation within Central Europe *(All revenue and net income figures are in EUR million)*

Rank	Top 500 Rank	Top 500 Rank LY	Company name	Country	Revenue from sales 2013	Revenue change (%) 2013 -2012	Net income 2013	Net income change (%) 2013-2012	Revenue from sales Q1 2014	Revenue change (%) Q1 2014 Q1 2013
1	8 ↑	12	Jeronimo Martins Polska	Poland	7,806.4	13.0%	N/A	N/A	1,966.6	5.5%
2	21	21	Ukrzaliznytsia	Ukraine	4,796.9	-6.2%	51.2	-40.4%	N/A	N/A
3	27 ↑	30	Agrokor	Croatia	3,979.2	0.7%	4.6	-46.4%	N/A	N/A
4	29	29	Eurocash	Poland	3,927.2	-1.0%	52.5	-12.3%	888.3	-4.5%
5	35 ↓	34	Metro Group	Poland	3,614.4	1.1%	N/A	N/A	N/A	N/A
6	39 ↓	33	Samsung Electronics Slovakia	Slovakia	3,144.3	-13.8%	97.2	-4.5%	N/A	N/A
7	41 ↓	40	Chimimport	Bulgaria	3,098.1	-2.1%	51.1	-13.3%	811.0	-14.7%
8	44 ↓	41	Tesco Polska	Poland	3,053.7	0.0%	N/A	N/A	N/A	N/A
9	45 ↑	49	VP	Lithuania	2,971.8	6.4%	79.6	21.1%	N/A	N/A
10	51 ↓	44	Mercator Group	Slovenia	2,765.9	-3.7%	-16.9	82.5%	N/A	N/A

creating their own brands and successfully competing with established brands. These established brands used to command a premium position on the shelves and in the minds of the consumers. This is not necessarily the case anymore which is a challenge for leading consumer business companies and an opportunity chased by some dynamic local and regional players.

Finally, discount retailers are becoming an increasingly bigger competition for traditional trade. Discounters have a direct effect on traditional retailers market share and they have become leaders in operational efficiency and a benchmark for prices. The price-aggressive discount format is very successful in most Western economies and has become a success in our region as well.

In this context, retailers are seeking strategies that set them apart from competitors, including consumer loyalty programs, merchandise ranges, balanced portfolios with "good-better-best" solutions, discounts, promotional offers and a strong branded presence and private labels. While the share of private labels in Central Europe is still lower than in some Western European countries, it is growing dynamically. The latest data, demonstrates that Poland and Slovakia noted some of the biggest percentage increases (by 3.1 and 2.7 percentage points respectively). Interestingly, private brands are increasingly designed to compete in all price segments rather than just being "price fighters".

The era of the connected consumer, driven by technology innovation, has forced retailers to fundamentally rethink almost every aspect of their operations. Websites, social media and mobile applications are now used by consumers for price comparison, product research and purchase. Online retail sales in Central Europe are growing much faster today than mobile and e-commerce sales across Europe as a whole. Although in a country like Poland, the overall share of online sales is only about 3% of total sales (while in Western Europe this value is two or three times higher), the growth rate of e-commerce, from food, through clothing to appliances, is well over 20%. The e-commerce market in Poland grew much faster in 2013 (28.2%) than in the U.K. (14.7%) or Germany (15.1%). This trend is also present across Central Europe.

The recent economic situation has reshaped consumers' lifestyles, causing them to re-evaluate where their money goes. They have become increasingly value-conscious, opting for retailers with everyday low prices and looking for ways to simplify their choices through clearly differentiated products. On the other hand, there is an increasing trend towards healthy eating and search for experience as well as amplification of what is "hot" or trendy through the Internet and social media. This confluence of trends, often pulling in different directions, has created an incredibly interesting space in consumer business.

"We are committed to ongoing innovation. There has been a recent shift in demand to the so called quick games, especially online games. Naturally, we focus on these changes when extending our product range. "

Kálmán Szentpétery, CEO
Szerencsejáték

Manufacturing

By ***Marek Turczyński***
Deloitte Partner responsible for Automotive sector in Poland

The Central European Manufacturing sector has radically transformed in the years following transition. Large, heavy industrial plants have been replaced by increasingly modern and efficient organisations, which can compete internationally. This is contributing to the high third place that Manufacturing holds among all sectors within the Ranking, with 114 companies (23%) in the Top 500 delivering an average growth of 2.9%.

This growth was mainly the consequence of an increase in the Automotive sector, where the average revenue growth of 5.8% was up from 1.7% in 2012. Of all the Manufacturing companies in this year's Ranking, 45% are from the Automotive industry and seven of them are in the sectoral top 10. This year the biggest move in the whole ranking was recorded by Ford Romania, which jumped by 258 positions to 170th place. Another company from the automotive industry to note a big jump is Mercedes-Benz Manufacturing Hungary, which moved from 230th to 74th.

"The biggest challenge for the automotive industry in the coming years will be the production of cars that consider high standards of ecology, safety and comfort. The key factor will be the engineering know-how focused in the R&D centers, both in Europe and Asia."

Magdalena Wojtasiak, President of the Management Board Faurecia

The message is clear: this is one of the most important and fast-growing industries in the region. It not only brings employment and wealth to local communities that are involved in the sector, it also generates extra wealth and employment in several related industries. It is estimated that every job in the Automotive sector may mean an extra four or five in related industries. The industry also drives innovation, keeping pace with growing consumer demand for new technologies.

Although vehicle demand in Central Europe is lower than in Western Europe (motorization rate in Romania, for example, is just 224 vehicles per 1,000 people compared with 550+ vehicles in Western Europe), global car manufacturers continue to invest in increasing the region's production capacity. Central Europe has received major investments, and although the difference in labour costs with more mature markets is gradually diminishing, the region remains a lower-cost and high-quality base for producing cars that are sold both locally and abroad. It is worth noting that a significant proportion of CE Automotive exports is made up of parts and equipment for factories located in Western Europe and other regions.

The Automotive industry is one of the crucial Manufacturing sectors in the Czech Republic, Hungary, Romania, Slovakia and Poland. According to Czech Invest, it currently accounts for 20% of the Czech Republic's manufacturing output. Skoda Auto a.s.- which yet again takes third position in the whole Ranking - together with TPCA (Toyota-Peugeot-Citroen Automobile) at number 159 and HMMC (Hyundai Motors Manufacturing Czech) at 32 collectively produced nearly 1.13 million passenger cars in 2013. A significant share of this output is for local and Central European markets. The Czech Republic and Slovakia both produce more than five times their national levels of demand; in 2013, more than 988,000 cars were produced in Slovakia.

Other CE countries also see good prospects for developing the Automotive sector. In Hungary, despite the decline in European demand, production increased by 21% at the beginning of 2013. Audi Hungaria (in 16th place) manufactures the entire range of Volkswagen vehicles and the new A3 in its plant in Györ. Production capacity at the plant rose from 35,000 units in 2012 to 125,000 in 2013.

In Romania, car production in 2013 grew by 23.7% over 2012. New investments are planned for the sector, including an airbag factory and car-seat plants that are due to open in 2014. Also, starting in 2016, Daimler is set to invest EUR 300 million in a factory to produce a new gear box.

Starting in 2016, the successor model to the Volkswagen Transporter and Crafter will be produced in Poland, the result of a EUR 800 million investment that will create 2,300 jobs. It is planned to produce 100,000 cars annually by 2019. Other investors in Poland include Fiat, which has a 51% production market share in passenger cars and light commercial vehicles (at 40 in the ranking) and Opel/General Motors, at 88 with a 19% market share.

The global economic situation and the dynamics of the market will lead to deep structural changes in the Automotive industry, creating the foundations for further development. Over the next few years, changes in consumer attitudes brought about by the economic and financial crisis will continue. The role of China and India will grow and together with the countries of Western Europe, Japan, Korea and the United States, they will become the main centers for design and production. In order for Central Europe to continue with its very successful development of the Automotive industry and to further strengthen its global role, companies must skillfully combine good quality, flexibility, profitability and innovation.

Table 7: Top 10 in Manufacturing within Central Europe *(All revenue and net income figures are in EUR million)*

Rank	Top 500 Rank	Top 500 Rank LY	Company name	Country	Revenue from sales 2013	Revenue change (%) 2013 -2012	Net income 2013	Net income change (%) 2013-2012	Revenue from sales Q1 2014	Revenue change (%) Q1 2014 Q1 2013
1	3	3	ŠKODA AUTO	Czech Republic	10,311.2	-1.4%	454.4	-25.7%	N/A	N/A
2	4	4	Metinvest	Ukraine	9,619.0	-1.3%	294.4	-14.7%	N/A	N/A
3	14	14	Volkswagen Slovakia	Slovakia	6,524.3	-1.0%	45.4	-73.3%	N/A	N/A
4	16 ↑	19	AUDI Hungaria Motor	Hungary	5,856.3	5.8%	314.4	-6.0%	N/A	N/A
5	17 ↑	20	AGROFERT	Czech Republic	5,825.9	10.5%	215.6	-10.2%	N/A	N/A
6	20 ↑	22	GE Infrastructure CEE	Hungary	5,187.5	3.2%	463.6	-33.0%	N/A	N/A
7	25 ↑	31	Kia Motors Slovakia	Slovakia	4,447.3	13.2%	230.9	48.5%	N/A	N/A
8	26 ↑	45	Automobile-Dacia	Romania	4,167.5	45.6%	76.4	22.8%	N/A	N/A
9	32 ↑	33	Hyundai Motor Manufacturing Czech	Czech Republic	3,748.6	2.2%	257.9	-6.6%	N/A	N/A
10	40 ↓	37	Fiat Auto Poland	Poland	3,109.5	-7.2%	65.8		826.6	3.6%

Real Estate and Construction

By ***Diana Radl Rogerova****, Deloitte Partner*
CE Real Estate Leader

"It is of crucial importance that we have stable and successful construction companies. This will ease market anxieties, not only boosting investment in roads but also encouraging important projects in the industrial and commercial sectors."

By Alfred Watzl, Member of the Management Board
STRABAG Sp. z o.o.

Construction industries were undergoing a boom until 2009, with housing, industrial and commercial construction all growing strongly. However, due to the financial crisis, the sector's performance has deteriorated significantly and it is now for the second year in a row, that the decline in real estate and construction industry revenues of the companies ranked in TOP500 is even greater than the year before (averaging -15.7% compared to -11.7%). The main impediments to growth stemming from the crisis (high debt, financial fragmentation, uncertainty and difficulties adjusting) are receding only slowly.

All 7 companies in this year's edition of the ranking recorded a decline in 2013. The list is led as before by Budimex, Metrostav and Skanska Polska, whose relative positions remain unchanged. Construction companies in the ranking lost almost 20% of their revenues during the last year. The biggest loses were incurred by Polimex, Strabag Poland and Budimex. While Czech construction leaders experienced similar falls in previous years and are now doing better due to a slow industry recovery, especially in the public sector, the Polish market saw a construction boom between 2010 -2012, which may mean that a bumpy road of declining investment lies ahead. Net income changes between 2012 and 2013, however, may indicate a new trend as companies gradually get used to lower volumes, adjusting the bottom line and preparing for a potentially profitable way ahead as the industry recovers.

While recent efforts to consolidate public finances in most countries have restricted infrastructural investment, significantly affecting construction, an expected recovery in house prices, which bottomed out in 2013, is affecting the supply side. An increased appetite for development projects is already visible in markets like the Czech Republic, particularly Prague.

The Polish market has maintained top place in CE, accounting in 2013 for 40% of the region's total real estate investment volume. As in other leading CE countries, Poland saw a year-on-year increase in property investment. The Czech real estate market recovered somewhat in 2013, with EUR 1.39 billion (double 2012) invested in the commercial sector (still only around 70% of the record year of 2011). An important factor was the increasing appetite of Czech and Slovak investors, who accounted for almost 50% of all transactions.

The total investment in Hungarian commercial real estate was EUR 272 million in 2013, (over 75% in the Office sector and 20% in Industrial). Including non-income property transactions, 2013 activity exceeded 2012 by almost 280%, but this growth is still well below the record year of 2007.

Total investment in Slovak commercial real estate in 2013 was EUR 242 million, massively up on the EUR 20 million in 2012, but still well below the 2011 record. More than 45% of all investments were made in the office sector, followed by retail and industrial (both 18%).

At 3.5%, Romania's 2013 GDP growth was its highest since 2007 and the CE region's top performer of the year. Romania's total volume of investment deals reached EUR 300 million in 2013.

Poland remains the leading regional market, and while this should remain unchanged, the next rank (the Czech Republic, Hungary and Slovakia) will be joined by Romania as it presents an increasingly interesting investment opportunity.

The office market in all countries favours occupiers, with most corporates offering incentive schemes and efficiency measures. Industrial markets differ depending on the level of infrastructural, economic and industrial development.

The Central European construction industry has been significantly affected by the recession since business and consumer confidence started to decline in 2008. However, after five years of continuous contraction, the European Commission has predicted that the sector will see a return to moderate growth in 2014, although at the time of writing this and the prospects of recovery still remain to be seen.

"We encourage innovation (which we define as the continuous pursuit of improvement) in all aspects of our operations – core business and auxiliary activities alike. We do not limit ourselves to one-off innovation-related events or competitions."

Dariusz Blocher, President of the Board
Budimex S.A.

Table 8: Top 7 in Real Estate and Construction within Central Europe *(All revenue and net income figures are in EUR million)*

Rank	Top 500 Rank	Top 500 Rank LY	Company name	Country	Revenue from sales 2013	Revenue change (%) 2013 -2012	Net income 2013	Net income change (%) 2013-2012	Revenue from sales Q1 2014	Revenue change (%) Q1 2014 Q1 2013
1	163 ↓	122	Budimex	Poland	1,127.9	-22.3%	72.1	62.2%	199.1	-3.0%
2	180 ↑	188	Metrostav	Czech Republic	1,061.1	-0.1%	13.8	-20.5%	N/A	N/A
3	194 ↑	195	Skanska Polska	Poland	998.7	-2.3%	35.4	-7.4%	N/A	N/A
4	337 ↓	238	Strabag Poland	Poland	662.6	-29.5%	15.7	160.2%	N/A	N/A
5	422 ↓	210	Polimex Mostostal	Poland	561.1	-42.9%	-43.8	85.3%	98.4	-23.2%
6	467	N/A	EUROVIA CS	Czech Republic	506.5	-15.7%	18.6	-26.9%	N/A	N/A
7	495 ↓	477	STRABAG CR	Czech Republic	481.5	-5.3%	15.1	79.2%	N/A	N/A

The Index of Success

Marking outstanding performance

I cannot over-emphasise the value of the Index of Success Award. It shows very clearly how our region's businesses are evolving, and in particular how they are becoming increasingly competitive on a truly international scale.

This is the fourth consecutive year that the Deloitte and Rzeczpospolita newspaper Index of Success Award has been presented to the CE Top 500 company or companies that the independent jury selects as having delivered the region's best overall performance during the previous year.

The selection is about more than financial criteria alone, although growth, profitability (measured by return on equity), liquidity and capital strength are all important considerations. Non-financial factors such as their acquisition record, investment activities and CSR also have important roles to play for the judging panel.

Deloitte is delighted to announce the twin winners for 2013-14: Slovenia-based pharmaceuticals giant Krka; and Poland's leading petroleum company PKN ORLEN. Both world-class, dominant competitors in their respective industries, they are helping to set the standards for other CE businesses to emulate.

Gaining a global presence

"I cannot over-emphasise the value of the Index of Success Award. It shows very clearly how our region's businesses are evolving, and in particular how they are becoming increasingly competitive on a truly international scale. By this I mean they are operating and trading further afield than ever before, much more widely than just in their neighbouring countries. And that is exactly what has to happen in a global economy.

"While the jury was also extremely encouraged to see the consistent progress underway in the Polish M&A market, it was even more pleasing to see how business leaders across CE are embracing responsibility for their companies' activities. CSR has been a subject of heated debate for many years, but stakeholders (and shareholders) are increasingly recognising social responsibility as a core source of business value rather than something that limits economic freedoms. To paraphrase Milton Friedman, 'the business of business is not only business'."

Jan Krzysztof Bielecki, Jury Chairman

Methodology

Each year, Deloitte places 25 companies from CE's real economy, three banks and two insurance companies on the Index of Success shortlist.

Preselection criteria

- Presence in the CE Top 500 list for 2013
- Threshold level of key business indicators in 2012:
  - revenues over EUR 500m for real sector companies had
  - assets over EUR 10bn for banks
  - gross written premiums over EUR 250m for insurers
- Operational headquarters are in the region
- Publicly known ownership structure and available financial statements
- Subsidiary operations based in at least three different countries
- Last three sets of financial results demonstrating long-term stability.

Final selection criteria

Members of the Jury took into account, among others, nominal increase in revenue adjusted for changes in global prices of products sold, return on capital or quick ratio in the case of businesses, growth in assets, the ratio of deposits to loans for banks, gross written premium or return on capital for insurers.

	Real sector	Banking	Insurance
Financial criteria	• Growth: Revenue (adjusted for changes in global prices of products sold) • Profitability: ROE • Liquidity: Quick ratio • Capital strength: Debt to Equity	• Growth: Total assets • Profitability: ROE • Efficiency: Cost / Income • Liquidity: Loans / Deposits • Capital strength: Capital Adequency Ratio	• Growth: Gross premium • Profitability: ROE • Liquidity: Solvency ratios • Capital strength: Technical and insurance reserve coverage

Non-financial criteria	• Significant acquisition (in relation to revenues) • Corporate Social Responsibility (CSR) • Investment activity

Meet the Jury

The Index of Success jury, which met in June to select the Award winners, included several of Poland's leading public figures, businesspeople and academics:

Jan Krzysztof Bielecki
Jury Chairman, former Prime of Poland and CEO of Bank Pekao SA, currently Head of the Economic Council in the Office of the Prime Minister of Poland

Jerzy Buzek
Former President of the European Parliament, Prime Minister of Poland (1997 – 2001) and twice Poland's "Person of the Year"

Professor Michal Kleiber
A leading CE scientist and mathematician and Chairman of the Polish Academy of Sciences

Jacek Chwedoruk
President of the Management Board of Rothschild Poland

Alastair Teare
Chief Executive Officer, Deloitte Central Europe

Paweł Jabłoński
Deputy Editor in Chief of Rzeczpospolita






PKN ORLEN – a company profile

PKN ORLEN is a leading petroleum company in Central and Eastern Europe. At the core of its operations lies a downstream segment, built around state-of-the-art refining and petrochemical assets that include Europe's most efficient terephthalic acid production complex. The company aims to extend its value chain with new projects in its petrochemical and industrial power businesses.

PKN ORLEN also operates CE's largest network of petrol stations, each year increasing market share in Poland, the Czech Republic and Lithuania as well as Germany.

Hydrocarbon exploration and production are an important part of the company's development strategy. PKN ORLEN is Poland's leader in shale gas exploration, and having acquired Canada-based oil and gas companies TriOil and Birchill, it also has a foothold in one of the world's most advanced hydrocarbon production markets. This is in line with PKN ORLEN's strategic objectives of developing its own technologies and scaling up production, planned to reach 6m boe in 2017.

Growth can be measured not only in terms of capital expenditure, but also in the confidence and trust customers place in its brand. PKN ORLEN is a long-standing supporter of sports and cultural initiatives: ORLEN Sports Group athletes have won four Olympic medals, and the most recent edition of the ORLEN Warsaw Marathon attracted a record 32,000 runners. It also holds the annual "Polacy z Werwą" poll to reward highly talented and passionate young people who help create and promote Poland's positive image through various activities.

Whether relating to business or corporate social responsibility, all decisions are rooted in PKN ORLEN's core values – Responsibility, Progress, People, Energy and Dependability. Its ethical standards have been recognised by independent international experts – in 2014, PKN ORLEN became the first CE company to be named "The World's Most Ethical Company".

Index of Success award in M&A category, for our activities in 2014, is very significant and perfectly demonstrates that our goals regarding diversified business profile are consistently implemented.

"Index of Success award in M&A category, for our activities in 2014, is very significant and perfectly demonstrates that our goals regarding diversified business profile are consistently implemented. Concurrently, we also continue our efforts focused on maintaining stable financial position through e.g. diversifying the funding sources that are being allocated also for development projects.
Our recent transactions in Canada fit perfectly into the ORLEN Group's strategy to expand its oil and gas assets. Moreover we intend to pursue this goal both through organic development of conventional and unconventional projects in Poland, as well as opportunistic asset acquisitions abroad."

Jacek Krawiec, CEO of PKN ORLEN

Krka – a company profile

With its headquarters in Slovenia and production and distribution centres in the Russian Federation, Poland, Croatia and Germany, Krka, d. d., Novo mesto is Europe's fifth largest generic drug-manufacturing pharmaceutical company (15th in the world), with a presence in over 70 countries. For 60 years, it has strengthened its global position by investing in development, steadily growing sales and progressing in existing and new markets.

As well as being its domestic market-leader, Krka also has a significant presence in Eastern, Central and South-Eastern Europe and has recently strengthened its presence in Western Europe. In total, it sells 95% of its products abroad.

Krka's trademarked products cover most therapeutic areas relating to modern diseases. The most important of these are medicines for the cardiovascular system, for gastrointestinal and metabolic disorders, and for the central nervous system. Krka is continually increasing its product range and moving into new therapeutic areas (such as oncology and diabetes).

Our main competitive advantages are speed and flexibility, which are Krka's main values. This refers to the speed with which we are able to launch new products and our approach to the post-launch market situation.

Prescription pharmaceuticals, with more than 83% of sales, represent the core of Krka's operations followed by non-prescription products, veterinary products and health resort and tourism services. Today Krka's sales exceed EUR 1.2bn. The company allocates 9% of revenues to R&D and has more than 170 new products in the pipeline.

Krka achieves its strategic goals through its significant investments in the knowledge and creativity of its 10,000 + employees. It is set to concentrate developing its own sales and marketing network with the aim of strengthening its position in Western Europe and Asia while entering new high-potential markets.

Krka's progress has always also involved advancing a broader social agenda. Its mission, Living a healthy life, extends beyond pharmaceuticals to help to provide a better quality of life for those in the communities where it operates and to preserve a healthy living environment.

"Stable growth, investments, development projects and new products, entering new markets and therapeutic areas, risk management systems along with the principles of due diligence are at the core of Krka's growth. We rely mostly on our own knowledge and work. Modern pharmaceutical production and our the vertically integrated business model allow us to offer customers in over 70 countries a broad range of high- quality, safe, and effective products. Our main competitive advantages are speed and flexibility, which are Krka's main values. This refers to the speed with which we are able to launch new products and our approach to the post-launch market situation. In addition to investing in new product R&D, our marketing and sales focus is also of key importance. Krka's achievements are the result of professionally trained and motivated employees who strive to fulfil the company's strategy in all areas of business operations on a daily basis."

Jože Colarič, President of the Management Board and Chief Executive of Krka, d. d., Novo mesto

CE Top 500 ranking

Rank	Company name	Country	Industry*	Revenues from sales 2013	Revenues change (%) 2013-2012	Net income 2013	Net income change (%) 2013-2012	LY Rank
1	PKN Orlen	Poland	E&R	27,037.2	-5.8%	-26.1	-106.4%	1
2	MOL	Hungary	E&R	18,121.1	-5.5%	-65.1	-112.0%	2
3	ŠKODA AUTO	Czech Republic	Mfg	10,311.2	-1.4%	454.4	-25.7%	3
4	Metinvest	Ukraine	Mfg	9,619.0	-1.3%	294.4	-14.7%	4
5	↑ DTEK	Ukraine	E&R	8,721.6	8.9%	313.1	-45.8%	7
6	ČEZ	Czech Republic	E&R	8,344.0	-2.6%	1,353.1	-15.3%	6
7	↑ Energorynok	Ukraine	E&R	8,033.1	0.8%	4.7	10.1%	8
8	↑ Jeronimo Martins Polska	Poland	CB&T	7,806.4	13.0%	N/A	N/A	12
9	↑ PGNiG	Poland	E&R	7,627.7	11.1%	480.4	-1.8%	13
10	PGE	Poland	E&R	7,158.6	-1.7%	1,044.1	25.6%	10
11	↓ Naftogaz of Ukraine	Ukraine	E&R	7,010.8	-25.8%	-1,176.6	-10.6%	5
12	↓ RWE Supply & Trading CZ	Czech Republic	E&R	6,920.8	-4.0%	923.1	-55.4%	11
13	↓ Lotos	Poland	E&R	6,791.1	-14.2%	29.3	-90.4%	9
14	Volkswagen Slovakia	Slovakia	Mfg	6,524.3	-1.0%	45.4	-73.3%	14
15	↑ Orlen Lietuva	Lithuania	E&R	6,067.3	-3.2%	N/A	N/A	16
16	↑ AUDI Hungaria Motor	Hungary	Mfg	5,856.3	5.8%	314.4	-6.0%	19
17	↑ AGROFERT	Czech Republic	Mfg	5,825.9	10.5%	215.6	-10.2%	20
18	↓ KGHM	Poland	E&R	5,725.5	-10.3%	731.9	-28.2%	15
19	↓ Petrom	Romania	E&R	5,477.1	-7.2%	1,091.8	23.2%	18
20	↑ GE Infrastructure CEE	Hungary	Mfg	5,187.5	3.2%	463.6	-33.0%	22
21	Ukrzaliznytsia	Ukraine	CB&T	4,796.9	-6.2%	51.2	-40.4%	21
22	↑ Slovnaft	Slovakia	E&R	4,738.1	2.0%	35.1	-32.4%	23
23	↑ Lotos Paliwa	Poland	E&R	4,666.7	0.0%	N/A	N/A	24
24	↓ Tauron	Poland	E&R	4,543.2	-23.2%	330.1	13.5%	17
25	↑ Kia Motors Slovakia	Slovakia	Mfg	4,447.3	13.2%	230.9	48.5%	31
26	↑ Automobile-Dacia	Romania	Mfg	4,167.5	45.6%	76.4	22.8%	45
27	↑ Agrokor	Croatia	CB&T	3,979.2	0.7%	4.6	-46.4%	30
28	↑ Petrol Group	Slovenia	E&R	3,947.3	5.1%	52.8	-2.2%	32
29	Eurocash	Poland	CB&T	3,927.2	-1.0%	52.5	-12.3%	29
30	↓ Lukoil Neftochim	Bulgaria	E&R	3,862.3	-6.7%	-123.2	-156.4%	27
31	↓ UNIPETROL	Czech Republic	E&R	3,817.8	-10.5%	-53.6	56.5%	25
32	↑ Hyundai Motor Mfg Czech	Czech Republic	Mfg	3,748.6	2.2%	257.9	-6.6%	33
33	↓ FOXCONN CZ	Czech Republic	TM&T	3,723.4	-11.2%	38.8	13.6%	26
34	↓ INA	Croatia	E&R	3,622.7	-8.8%	-199.1	N/A	28
35	↓ Metro Group	Poland	CB&T	3,614.4	1.1%	N/A	N/A	34
36	↑ Alpiq Energy SE	Czech Republic	E&R	3,367.4	3.8%	14.3	N/A	38
37	↑ ČEZ Prodej	Czech Republic	E&R	3,210.8	5.5%	110.2	-18.2%	42
38	↑ Energetický a průmyslový holding	Czech Republic	E&R	3,182.7	123.6%	657.4	72.4%	126
39	↓ Samsung Electronics Slovakia	Slovakia	CB&T	3,144.3	-13.8%	97.2	-4.5%	33
40	↓ Fiat Auto Poland	Poland	Mfg	3,109.5	-7.2%	65.8		37
41	↓ Chimimport	Bulgaria	CB&T	3,098.1	-2.1%	51.1	-13.3%	40
42	↑ MVM	Hungary	E&R	3,093.8	16.1%	108.2	-57.6%	52
43	↓ Orange Polska	Poland	TM&T	3,068.9	-9.2%	78.1	-58.8%	36
44	↓ Tesco Polska	Poland	CB&T	3,053.7	0.0%	N/A	N/A	41
45	↑ VP	Lithuania	CB&T	2,971.8	6.4%	79.6	21.1%	49
46	↑ Orlen Paliwa	Poland	E&R	2,971.5	37.7%	3.9	N/A	64
47	↓ BP Poland	Poland	E&R	2,887.3	-5.8%	N/A	N/A	39
48	↓ Rompetrol Rafinare	Romania	E&R	2,883.0	2.6%	-70.5	40.9%	43
49	↓ Slovenské elektrárne	Slovakia	E&R	2,855.7	-19.3%	356.3	-20.6%	35
50	↑ Čepro	Czech Republic	E&R	2,819.9	6.7%	17.6	-14.0%	53

** **CB&T** - Consumer Business & Transportation. **E&R** - Energy & Resources. **LS&HC** - Life Sciences and Health Care. **Mfg** - Manufacturing.*
***TM&T** - Technology, Media and Telecommunications. **PS** - Public Sector. **RE** - Real Estate*

corrected on 4 September 2013

Rank		Company name	Country	Industry*	Revenues from sales	Revenues change (%)	Net income	Net income change (%)	LY Rank
					2013	2013-2012	2013	2013-2012	
51	↓	Mercator Group	Slovenia	CB&T	2,765.9	-3.7%	-16.9	82.5%	44
52	↓	Energa	Poland	E&R	2,714.2	1.6%	201.5	73.3%	51
53		Megapolis Ukraine	Ukraine	CB&T	2,696.8	1.3%	84.4	96.1%	N/A
54	↑	ATB Market	Ukraine	CB&T	2,646.1	26.9%	22.1	-5.4%	73
55	↓	ArcelorMittal Poland	Poland	Mfg	2,645.0	-6.0%	N/A	N/A	46
56	↓	ArcelorMittal Kryvyi Rih	Ukraine	Mfg	2,604.0	-7.1%	-144.5	48.3%	47
57	↑	MAXIMA group	Lithuania	CB&T	2,525.8	6.0%	N/A	N/A	59
58	↑	Lidl Polska	Poland	CB&T	2,493.5	22.8%	N/A	N/A	75
59	↓	PKP	Poland	CB&T	2,464.3	-11.8%	-72.9	-178.4%	48
60	↑	Fozzy Group	Ukraine	CB&T	2,390.6	12.0%	N/A	N/A	69
61	↓	Kompania Węglowa	Poland	E&R	2,359.8	-10.4%	-160.5	N/A	54
62	↑	Grupa Azoty	Poland	Mfg	2,332.2	37.5%	158.4	90.8%	98
63	↑	NIS	Serbia	E&R	2,294.2	15.0%	427.6	6.6%	78
64	↓	Samsung Electronics Hungary	Hungary	CB&T	2,289.3	-7.6%	70.8	-33.7%	56
65	↓	Aurubis	Bulgaria	E&R	2,272.7	2.9%	19.4	-81.1%	61
66	↓	Magyar Földgázkereskedő	Hungary	E&R	2,269.6	-6.5%	43.2	6.9%	57
67	↓	Volkswagen Poznań	Poland	Mfg	2,241.2	2.6%	99.2	34.0%	62
68	↓	U.S. Steel Košice	Slovakia	Mfg	2,203.0	-6.4%	-368.9	N/A	60
69	↑	ČEZ Distribuce	Czech Republic	E&R	2,191.4	5.1%	264.1	54.0%	74
70	↑	PCA Slovakia	Slovakia	Mfg	2,176.2	12.4%	N/A	N/A	83
71	↓	Enea	Poland	E&R	2,173.0	-9.9%	173.9	11.5%	58
72		Magyar Telekom	Hungary	TM&T	2,139.2	1.5%	96.8	-39.2%	72
73	↑	Kernel	Ukraine	CB&T	2,100.6	30.9%	86.0	-46.0%	102
74	↑	Mercedes-Benz Mfg Hungary	Hungary	Mfg	2,096.2	127.9%	66.3	23.1%	230
75	↓	Continental Barum	Czech Republic	Mfg	2,080.3	-2.8%	144.7	33.1%	67
76	↑	MVM Partner	Hungary	E&R	2,044.9	41.6%	1.8	-96.0%	123
77	↓	TESCO-GLOBAL Áruházak	Hungary	CB&T	2,041.1	-4.0%	3.4	-78.2%	68
78	↓	Ostchem	Ukraine	Mfg	2,020.4	-0.0%	N/A	N/A	76
79	↑	Lewiatan	Poland	CB&T	1,925.9	5.6%	N/A	N/A	88
80		MORAVIA STEEL	Czech Republic	Mfg	1,920.0	-2.9%	113.2	60.0%	80
81	↓	SPP	Slovakia	E&R	1,878.0	6.3%	325.0	-27.5%	50
82	↑	EP Energy	Czech Republic	E&R	1,873.3	14.7%	-37.3	-108.3%	103
83	↓	O2 Czech Republic	Czech Republic	TM&T	1,872.6	-8.9%	233.0	-12.8%	77
84	↑	Lasy Państwowe	Poland	PS	1,872.5	13.2%	71.6	N/A	87
85	↑	JP EPS	Serbia	E&R	1,858.7	18.4%	169.6	N/A	108
86	↑	Kaufland Česká Republika	Czech Republic	CB&T	1,849.8	2.4%	60.2	-31.5%	90
87	↓	Eni Česká republika	Czech Republic	E&R	1,846.8	-12.9%	-51.9	-112.5%	70
88	↑	General Motors Mfg Poland	Poland	Mfg	1,828.6	6.3%	N/A	N/A	95
89	↓	Jastrzębska Spółka Węglowa	Poland	E&R	1,812.5	-14.0%	20.0	-89.5%	71
90	↑	Makro Cash and Carry Polska	Poland	CB&T	1,810.7	0.0%	N/A	N/A	104
91	↓	E.ON Hungária	Hungary	E&R	1,800.5	-9.2%	N/A	N/A	79
92	↑	OWG Group	Ukraine	E&R	1,792.0	0.5%	N/A	N/A	120
93	↑	TŘINECKÉ ŽELEZÁRNY	Czech Republic	Mfg	1,741.7	1.2%	41.6	31.6%	96
94	↑	Pelion	Poland	LS&HC	1,734.0	8.5%	24.9	165.8%	107
95	↑	HEP	Croatia	E&R	1,731.6	3.3%	171.8	N/A	101
96	↓	Ukrtatnafta	Ukraine	E&R	1,728.8	-11.0%	23.7	120.1%	81
97	↓	Tesco Stores ČR	Czech Republic	CB&T	1,690.2	-6.3%	-43.1	N/A	91
98	↓	Carrefour Polska	Poland	CB&T	1,669.4	-22.6%	N/A	N/A	65
99		Energa-Obrót	Poland	E&R	1,642.4	-29.5%	40.1	1.5%	N/A
100	↑	PANRUSGÁZ	Hungary	E&R	1,641.5	11.4%	2.8	-80.6%	119

Rank		Company name	Country	Industry*	Revenues from sales	Revenues change (%)	Net income	Net income change (%)	LY Rank
					2013	2013-2012	2013	2013-2012	
101	↑	Kaufland Romania	Romania	CB&T	1,631.2	11.5%	N/A	N/A	121
102	↓	Flextronics International	Hungary	TM&T	1,630.2	-16.0%	2.8	-85.7%	82
103	↓	E.ON Energiaszolgáltató	Hungary	E&R	1,627.9	-10.2%	-5.4	89.9%	89
104	↓	Energoatom	Ukraine	E&R	1,619.7	-9.1%	-16.1	90.9%	93
105	↑	Konzum	Croatia	CB&T	1,608.7	-0.9%	22.5	-17.2%	106
106	↓	Polkomtel	Poland	TM&T	1,586.8	-6.9%	N/A	N/A	97
107	↓	T-Mobile Polska	Poland	TM&T	1,578.7	-5.9%	N/A	N/A	100
108	↑	Samsung Electronics Polska	Poland	CB&T	1,574.0	6.0%	29.0	N/A	116
109	↑	Magyar Suzuki	Hungary	Mfg	1,567.4	11.6%	33.6	N/A	128
110	↑	BAT (Romania) Trading	Romania	CB&T	1,567.2	5.7%	89.9	1.4%	118
111	↓	Auchan Polska	Poland	CB&T	1,565.0	8.4%	N/A	N/A	110
112	↓	HSE Group	Slovenia	E&R	1,562.3	-13.6%	66.6	-22.5%	85
113	↑	Epicentr K	Ukraine	CB&T	1,554.2	9.0%	41.3	-26.7%	161
114	↓	Poczta Polska	Poland	PS	1,500.1	-4.1%	10.4	-60.2%	109
115		Fiat Automobili Srbija	Serbia	Mfg	1,486.4	355.2%	10.0	N/A	N/A
116	↓	Kaufland Polska	Poland	CB&T	1,486.3	0.0%	N/A	N/A	115
117	↑	PS Mercator	Slovenia	CB&T	1,464.3	2.7%	-35.6	52.3%	125
118	↑	PPHU Specjał	Poland	CB&T	1,457.6	34.0%	1.4	98.8%	177
119	↓	AHOLD CZECH REPUBLIC	Czech Republic	CB&T	1,440.7	-4.9%	11.2	37.7%	114
120	↑	VWGP	Poland	Mfg	1,421.1	7.3%	13.0	-18.1%	145
121		Tauron Dystrybucja	Poland	E&R	1,417.7	-1.9%	238.9	16.5%	N/A
122	↑	Asseco	Poland	TM&T	1,400.6	6.0%	154.5	178.0%	141
123	↑	BorsodChem	Hungary	Mfg	1,385.4	15.1%	-44.5	-116.4%	158
124	↓	PSE	Poland	E&R	1,378.8	-15.1%	149.3	-12.0%	105
125	↑	Neuca	Poland	LS&HC	1,376.2	1.3%	20.2	30.0%	133
126	↑	Galnaftogaz	Ukraine	E&R	1,365.1	0.9%	56.5	105.9%	137
127		Ericsson Eesti	Estonia	TM&T	1,353.0	1.7%	20.3	-24.3%	N/A
128	↑	TVK	Hungary	Mfg	1,350.6	3.9%	19.0	172.2%	144
129	↓	Donetskstal	Ukraine	Mfg	1,341.4	-23.8%	7.4	-83.0%	94
130	↑	Tesco Stores SR	Slovakia	CB&T	1,340.0	-2.3%	N/A	N/A	132
131	↑	Shell Polska	Poland	E&R	1,331.6	4.4%	N/A	N/A	147
132	↓	ArcelorMittal Ostrava	Czech Republic	Mfg	1,316.4	-9.3%	78.8	111.0%	124
133	↑	BAT Polska Trading	Poland	CB&T	1,310.0	0.0%	N/A	N/A	143
134	↑	Castorama Polska	Poland	CB&T	1,306.1	3.0%	N/A	N/A	149
135	↑	SPAR Magyarország	Hungary	CB&T	1,290.6	4.2%	-39.5	11.7%	152
136	↑	AB	Poland	CB&T	1,289.6	24.3%	8.9	-22.9%	189
137	↓	GEN-I Group	Slovenia	E&R	1,280.4	-17.0%	9.9	20.3%	112
138	↓	Synthos	Poland	Mfg	1,272.7	-14.2%	87.9	-43.5%	117
139		České dráhy	Czech Republic	CB&T	1,262.0	-5.6%	-75.0	-18.2%	139
140	↑	Statoil Fuel & Retail Polska	Poland	E&R	1,259.3	-4.2%	N/A	N/A	142
141	↓	Petrotel-Lukoil	Romania	E&R	1,248.0	-19.9%	-210.4	N/A	111
142	↑	Gorenje Group	Slovenia	CB&T	1,240.5	-1.8%	-25.0	N/A	151
143	↑	Farmacol	Poland	LS&HC	1,236.3	6.8%	29.8	8.7%	167
144	↑	Kyivstar	Ukraine	TM&T	1,209.4	-6.9%	-1,296.0	N/A	146
145	↑	Krka Group	Slovenia	LS&HC	1,200.8	5.0%	172.8	8.6%	169
146	↑	Robert Bosch Elektronika	Hungary	Mfg	1,192.7	10.9%	24.4	29.3%	181
147	↑	Penny Market ČR	Czech Republic	CB&T	1,188.7	0.0%	N/A	N/A	162
148	↑	LG Electronics Wrocław	Poland	CB&T	1,188.1	1.5%	N/A	N/A	165
149	↑	Ferrexpo Group	Ukraine	Mfg	1,187.7	7.6%	198.1	16.9%	174
150	↑	Michelin Polska	Poland	Mfg	1,179.9	2.7%	81.8	33.5%	168

* ***CB&T*** *- Consumer Business & Transportation.* ***E&R*** *- Energy & Resources.* ***LS&HC*** *- Life Sciences and Health Care.* ***Mfg*** *- Manufacturing.*
TM&T *- Technology, Media and Telecommunications.* ***PS*** *- Public Sector.* ***RE*** *- Real Estate*

Rank	Company name	Country	Industry*	Revenues from sales	Revenues change (%)	Net income	Net income change (%)	LY Rank
				2013	2013-2012	2013	2013-2012	
151 ↑	Richter Gedeon	Hungary	LS&HC	1,179.2	4.0%	142.4	-16.4%	170
152 ↑	MAKRO Cash & Carry ČR	Czech Republic	CB&T	1,170.0	0.0%	N/A	N/A	157
153	Electrica	Romania	E&R	1,167.8	-1.0%	71.2	-23.8%	N/A
154 ↑	Grupa Muszkieterów	Poland	CB&T	1,161.3	4.5%	N/A	N/A	173
155 ↑	Philips Lighting Poland	Poland	Mfg	1,150.8	9.2%	72.7	N/A	186
156 ↑	Boryszew	Poland	Mfg	1,148.5	-1.5%	16.5	43.0%	166
157 ↓	PCE Paragon Solutions	Hungary	Mfg	1,148.1	-13.6%	8.7	-46.8%	140
158 ↑	ABC Data	Poland	CB&T	1,145.2	29.8%	13.6	88.4%	239
159 ↓	TPCA CZECH	Czech Republic	Mfg	1,143.4	-15.9%	6.5	-31.1%	134
160 ↓	Interpipe	Ukraine	Mfg	1,142.1	-16.8%	-55.2	-2.0%	131
161 ↑	Rossmann	Poland	CB&T	1,137.7	13.0%	N/A	N/A	202
162 ↓	Chinoin	Hungary	LS&HC	1,131.6	-10.5%	95.1	11.4%	150
163 ↓	Budimex	Poland	RE	1,127.9	-22.3%	72.1	62.2%	122
164 ↑	Action	Poland	TM&T	1,127.8	34.3%	14.5	18.7%	254
165 ↑	Can-Pack	Poland	Mfg	1,127.5	3.8%	86.0	33.7%	179
166 ↓	Lukoil Romania	Romania	E&R	1,126.7	-16.8%	-11.5	77.1%	135
167 ↑	MHP	Ukraine	CB&T	1,123.7	3.0%	121.8	-50.1%	175
168 ↓	Uralchem LV	Latvia	CB&T	1,123.4	-8.1%	23.9	-30.9%	154
169 ↓	Nibulon	Ukraine	CB&T	1,120.1	-16.5%	51.4	2.2%	138
170 ↑	Ford Romania	Romania	Mfg	1,096.8	96.9%	15.6	114.4%	428
171	Tauron Wytwarzanie	Poland	E&R	1,095.9	-14.8%	-113.8	N/A	N/A
172 ↑	Real Polska	Poland	CB&T	1,091.5	0.0%	N/A	N/A	178
173	TRW Polska	Poland	Mfg	1,089.5	11.7%	5.0	-77.3%	N/A
174 ↑	Mobis Slovakia	Slovakia	Mfg	1,089.1	14.4%	17.1	N/A	218
175 ↓	PKP Cargo	Poland	CB&T	1,081.4	-10.6%	18.6	-65.8%	156
176 ↑	PKP PLK	Poland	CB&T	1,075.2	0.7%	-99.0	44.7%	184
177 ↓	Volkswagen Motor Polska	Poland	Mfg	1,071.9	-1.5%	29.8	2.0%	176
178 ↓	Koncernas Achemos grupė	Lithuania	Mfg	1,068.1	-23.4%	N/A	N/A	129
179 ↓	Jabil Circuit Magyarország	Hungary	Mfg	1,065.5	-10.1%	18.1	152.0%	160
180 ↑	Metrostav	Czech Republic	RE	1,061.1	-0.1%	13.8	-20.5%	188
181 ↑	Kolporter	Poland	CB&T	1,060.4	7.1%	7.9	43.0%	207
182	EDF Polska	Poland	E&R	1,056.8	3.9%	N/A	N/A	N/A
183 ↓	Fibria Trading International	Hungary	CB&T	1,054.4	-50.8%	14.7	115.9%	66
184 ↓	Slovnaft Česká republika	Czech Republic	E&R	1,048.3	-7.5%	2.3	-14.7%	171
185 ↑	Cargill Poland	Poland	CB&T	1,046.2	2.3%	N/A	N/A	194
186 ↑	Západoslovenská energetika	Slovakia	E&R	1,036.6	0.6%	102.3	-16.9%	193
187 ↑	BaDM	Ukraine	CB&T	1,034.5	15.2%	3.9	99.6%	236
188 ↑	Enel Romania	Romania	E&R	1,032.8	-0.0%	N/A	N/A	192
189 ↓	E.ON Energie Romania	Romania	E&R	1,032.4	-12.6%	50.8	N/A	164
190 ↑	ISD Dunaferr	Hungary	Mfg	1,020.2	0.0%	N/A	N/A	196
191 ↓	OKD	Czech Republic	E&R	1,019.6	-28.1%	-755.0	N/A	127
192 ↓	Telekom Srbija	Serbia	TM&T	1,015.6	-2.0%	138.8	28.3%	190
193 ↓	Nokia Komárom	Hungary	TM&T	1,011.0	-25.3%	-6.0	63.6%	136
194 ↑	Skanska Polska	Poland	RE	998.7	-2.3%	35.4	-7.4%	195
195 ↑	Orange Romania	Romania	TM&T	982.2	6.1%	113.4	-2.5%	228
196 ↑	Mol Romania	Romania	E&R	979.5	5.1%	20.3	19.0%	226
197	Metro Cash & Carry Romania	Romania	CB&T	977.7	-4.1%	N/A	N/A	197
198 ↑	LPP	Poland	CB&T	977.5	26.9%	102.6	21.0%	297
199 ↑	Żabka Polska	Poland	CB&T	977.0	23.6%	-15.7	N/A	284
200 ↑	Carrefour Romania	Romania	CB&T	971.3	0.8%	32.7	38.9%	215

Rank		Company name	Country	Industry*	Revenues from sales 2013	Revenues change (%) 2013-2012	Net income 2013	Net income change (%) 2013-2012	LY Rank
201	↑	Węglokoks	Poland	CB&T	971.3	20.5%	49.6	46.3%	270
202	↑	Animex	Poland	CB&T	968.4	6.5%	N/A	N/A	233
203	↑	Eesti Energia	Estonia	E&R	966.4	17.6%	159.5	107.4%	259
204		T-Mobile Czech Republic	Czech Republic	TM&T	965.5	-7.6%	232.7	-18.4%	204
205	↑	Electrolux Lehel	Hungary	CB&T	962.4	4.0%	13.6	25.7%	229
206	↑	Swedwood	Poland	Mfg	960.4	3.5%	56.2	N/A	227
207	↓	Roshen	Ukraine	CB&T	952.4	-5.7%	N/A	N/A	199
208	↓	Panasonic AVC Networks Czech	Czech Republic	CB&T	950.6	-20.1%	12.7	N/A	159
209	↑	Lidl Česká Republika	Czech Republic	CB&T	949.5	1.7%	58.7	23.5%	225
210	↑	KHW	Poland	E&R	947.3	-0.2%	-13.1	-36.7%	219
211		Latvenergo	Latvia	E&R	944.4	1.3%	26.2	-41.9%	N/A
212	↑	Tallink	Estonia	CB&T	942.0	-0.2%	43.3	-22.3%	220
213		Lukoil Ukraine	Ukraine	E&R	940.6	22.9%	-11.8	12.1%	N/A
214	↑	MTS Ukraine	Ukraine	TM&T	936.4	-0.3%	231.6	20.3%	223
215		Dalkia Polska	Poland	E&R	935.9	2.1%	18.0	12.1%	N/A
216		GDF Suez Energy Romania	Romania	E&R	934.7	2.8%	101.2	25.2%	N/A
217	↓	T-HT Group	Croatia	TM&T	929.6	-7.4%	190.2	-15.6%	206
218	↑	European Data Project	Czech Republic	CB&T	925.4	2.3%	41.6	-0.3%	234
219	↑	Zakłady Azotowe Puławy	Poland	Mfg	922.8	-2.2%	92.9	-35.3%	221
220	↓	OMV Hungária	Hungary	E&R	921.9	-3.7%	-7.4	88.6%	217
221	↑	Foxconn Slovakia	Slovakia	TM&T	919.8	46.0%	8.7	N/A	377
222	↑	OMV Bulgaria	Bulgaria	E&R	917.3	3.2%	11.2	N/A	237
223	↑	Auchan Magyarország	Hungary	CB&T	913.2	4.0%	-21.2	39.7%	243
224		PHOENIX lékárenský velkoobchod	Czech Republic	LS&HC	905.3	-7.5%	13.4	-5.5%	N/A
225		Faurecia Polska	Poland	Mfg	903.8	3.2%	32.8	-32.1%	N/A
226	↑	Energa-Operator	Poland	E&R	901.5	4.0%	137.3	96.7%	246
227	↓	LG Electronics Mława	Poland	CB&T	900.7	-13.0%	9.7	103.7%	191
228	↑	Delhaize Serbia	Serbia	CB&T	892.6	-1.3%	41.1	153.4%	235
229	↑	POLOmarket	Poland	CB&T	890.5	4.4%	N/A	N/A	250
230		PCA LOGISTIKA CZ	Czech Republic	Mfg	888.8	0.0%	N/A	N/A	N/A
231	↑	P4 (Play)	Poland	TM&T	883.4	3.3%	N/A	N/A	261
232	↓	GLOBUS	Czech Republic	CB&T	883.1	-8.4%	5.9	7.6%	214
233	↑	Romgaz	Romania	E&R	881.9	2.3%	225.5	-10.3%	249
234	↑	PKP Energetyka	Poland	E&R	876.6	13.3%	21.4	36.3%	296
235	↑	Grupa Saint-Gobain w Polsce	Poland	Mfg	869.1	-0.2%	N/A	N/A	245
236	↑	Media-Saturn	Poland	CB&T	866.8	0.2%	N/A	N/A	248
237	↑	Southern GOK	Ukraine	E&R	864.8	8.2%	303.1	42.9%	275
238	↑	Basell Orlen Polyolefins	Poland	Mfg	862.0	4.5%	N/A	N/A	258
239	↓	Shell Czech Republic	Czech Republic	E&R	861.7	-18.7%	N/A	N/A	222
240	↑	WIZZ Air Hungary	Hungary	CB&T	860.3	7.9%	36.6	-30.8%	277
241	↓	OMV Česká republika	Czech Republic	E&R	852.9	-16.5%	N/A	N/A	203
242		EP ENERGY TRADING	Czech Republic	E&R	852.9	152.2%	-8.0	N/A	N/A
243	↓	Kompania Piwowarska	Poland	CB&T	852.5	13.0%	N/A	N/A	172
244	↑	Mobis Automotive Czech	Czech Republic	Mfg	852.1	1.0%	-3.4	N/A	253
245	↑	MLEKPOL	Poland	CB&T	849.4	9.3%	7.8	118.6%	292
246		GlaxoSmithKline Pharmaceuticals	Poland	LS&HC	849.2	13.7%	38.5	-27.8%	N/A
247	↑	Szerencsejáték	Hungary	CB&T	842.9	12.3%	47.2	17.4%	304
248	↓	ArcelorMittal Galati	Romania	Mfg	841.0	-30.9%	-168.0	N/A	155
249		Roglić Group	Croatia	CB&T	838.6	5.9%	7.4	110.3%	N/A
250	↑	Pražská energetika	Czech Republic	E&R	838.1	0.6%	104.2	7.1%	257

** **CB&T** - Consumer Business & Transportation. **E&R** - Energy & Resources. **LS&HC** - Life Sciences and Health Care. **Mfg** - Manufacturing.*
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Rank		Company name	Country	Industry*	Revenues from sales	Revenues change (%)	Net income	Net income change (%)	LY Rank
					2013	2013-2012	2013	2013-2012	
251	↑	BSH Poland	Poland	CB&T	836.7	4.0%	26.9	-46.2%	272
252	↑	Fiat Powertrain	Poland	Mfg	836.0	1.7%	N/A	N/A	260
253	↑	Inter Cars	Poland	Mfg	834.2	16.2%	34.8	47.7%	312
254	↓	Grupa Żywiec	Poland	CB&T	831.8	-2.4%	64.4	-13.1%	251
255	↓	Ciech	Poland	Mfg	831.4	-20.5%	3.8	103.7%	187
256	↓	Slovak Telekom	Slovakia	TM&T	827.6	-1.2%	49.3	-21.9%	255
257	↑	Continental Matador Rubber	Slovakia	Mfg	821.9	9.4%	124.1	29.9%	302
258	↓	BILLA CR	Czech Republic	CB&T	817.9	0.0%	N/A	N/A	224
259	↑	Indesit Poland	Poland	CB&T	817.7	3.6%	7.5	N/A	286
260	↑	Unilever Polska	Poland	CB&T	817.6	-0.1%	N/A	N/A	264
261	↓	EFT Investments	Serbia	E&R	814.2	-62.5%	10.1	89.3%	63
262		Baltic International Trading	Estonia	CB&T	812.9	-9.9%	7.6	-59.8%	N/A
263	↑	Lietuvos energija	Lithuania	E&R	807.2	3.6%	40.8	N/A	266
264	↑	Motor Sich	Ukraine	Mfg	806.6	6.0%	133.9	-23.7%	299
265		Stredoslovenská energetika	Slovakia	E&R	802.6	1.8%	81.9	18.7%	N/A
266	↑	OTE	Czech Republic	E&R	798.4	2.5%	4.5	33.5%	291
267	↓	Prirodni plin	Croatia	E&R	797.4	-19.4%	-106.0	22.9%	208
268	↑	Anwil	Poland	Mfg	792.7	-1.2%	50.6	190.1%	273
269		MLEKOVITA	Poland	CB&T	791.5	19.8%	12.6	25.4%	N/A
270	↓	TIGÁZ	Hungary	E&R	786.2	-10.5%	-71.9	47.1%	242
271	↑	Optima Pharm	Ukraine	CB&T	784.0	19.6%	-5.6	-120.4%	351
272		Foxtrot	Ukraine	CB&T	781.7	-4.0%	45.7	27.3%	N/A
273		MET Magyarország	Hungary	E&R	781.2	-18.7%	14.7	-91.4%	N/A
274	↑	Telekom Slovenije Group	Slovenia	TM&T	779.4	-0.9%	52.6	17.9%	280
275	↓	Selgros Poland	Poland	CB&T	777.8	-3.6%	N/A	N/A	268
276	↑	Hungaropharma	Hungary	LS&HC	777.8	-4.0%	7.3	123.2%	283
277	↓	Totalizator Sportowy	Poland	CB&T	777.2	-5.2%	60.1	N/A	262
278		Lek Group	Slovenia	LS&HC	776.4	24.6%	88.8	N/A	N/A
279	↓	SYNTHOS KRALUPY	Czech Republic	Mfg	776.2	-23.1%	22.3	-65.8%	201
280	↓	BNK-Ukraine	Ukraine	E&R	771.5	-15.8%	0.0	N/A	231
281	↑	Orlen Latvija	Latvia	E&R	770.0	10.4%	3.9	10.0%	324
282	↓	Bulgargaz	Bulgaria	E&R	769.7	-19.5%	31.8	154.7%	216
283	↑	Cargill Ukraine	Ukraine	CB&T	766.8	-2.6%	12.3	-73.5%	289
284	↓	Shell Hungary	Hungary	E&R	766.0	-8.1%	-28.2	-0.5%	256
285		Leroy Merlin Polska	Poland	CB&T	764.8	3.2%	N/A	N/A	N/A
286	↑	Glencore Polska	Poland	CB&T	762.5	31.5%	11.0	N/A	409
287	↑	ELMŰ	Hungary	E&R	752.6	0.1%	-17.8	-109.9%	301
288	↑	Gazprom sbut Ukraina	Ukraine	E&R	748.9	0.0%	N/A	N/A	303
289	↑	Sokołów	Poland	CB&T	748.0	8.8%	N/A	N/A	328
290	↓	PLL LOT	Poland	CB&T	748.0	-5.3%	6.2	N/A	285
291	↑	Vodafone Romania	Romania	TM&T	746.9	-3.8%	97.6	-13.5%	293
292	↑	Flextronics International Poland	Poland	TM&T	746.4	3.9%	13.3	-13.0%	311
293	↓	Česká pošta	Czech Republic	PS	744.2	-6.2%	9.6	-7.6%	281
294	↑	BOSCH DIESEL	Czech Republic	Mfg	738.4	6.4%	3.3	-84.6%	325
295	↑	Mediplus	Romania	LS&HC	737.4	4.3%	3.6	-74.4%	318
296	↑	Arctic Paper	Poland	Mfg	737.3	17.3%	-37.0	N/A	382
297	↓	Porsche Hungaria	Hungary	Mfg	735.7	-5.2%	6.1	5.0%	294
298	↑	Maspex	Poland	CB&T	733.1	5.3%	N/A	N/A	322
299	↑	Kaufland Slovakia	Slovakia	CB&T	730.0	10.5%	N/A	N/A	349
300	↑	Lukoil Baltija	Lithuania	E&R	728.1	0.9%	3.4	-27.4%	309

Rank	Company name	Country	Industry*	Revenues from sales	Revenues change (%)	Net income	Net income change (%)	LY Rank
				2013	2013-2012	2013	2013-2012	
301 ↑	GECO	Czech Republic	CB&T	727.3	5.5%	7.1	-2.0%	327
302	Spar Slovenija	Slovenia	CB&T	727.3	4.8%	N/A	N/A	N/A
303 ↑	CEZ Electro Bulgaria	Bulgaria	E&R	726.5	5.4%	-8.2	N/A	326
304 ↓	FŐGÁZ	Hungary	E&R	725.7	-17.6%	2.9	-87.9%	240
305 ↑	BASF	Poland	Mfg	722.0	11.6%	N/A	N/A	356
306 ↓	Empik Media & Fashion	Poland	CB&T	721.3	1.5%	-73.4	N/A	295
307	Enea Wytwarzanie	Poland	E&R	716.2	5.5%	32.1	-45.2%	N/A
308 ↑	Hidroelectrica	Romania	E&R	714.2	32.3%	162.8	N/A	443
309	Neonet	Poland	CB&T	712.6	21.3%	N/A	N/A	N/A
310 ↓	Sanofi-Aventis Hungary	Hungary	LS&HC	709.8	-4.0%	13.6	8.1%	305
311 ↑	Tuš Holding	Slovenia	CB&T	708.9	0.0%	N/A	N/A	316
312 ↑	Ferrero Polska	Poland	CB&T	708.5	4.1%	57.4	-21.8%	331
313 ↑	Inventec	Czech Republic	TM&T	707.8	-5.3%	0.4	-18.0%	332
314 ↓	OMV Slovenia	Slovenia	E&R	707.1	-10.8%	14.0	-12.0%	282
315 ↑	Phoenix Pharma Hungary	Hungary	LS&HC	705.5	-11.5%	12.6	36.6%	278
316 ↑	LESTO	Lithuania	E&R	704.1	6.5%	13.8	N/A	347
317	Lidl Romania	Romania	CB&T	700.5	85.7%	N/A	N/A	N/A
318 ↓	Centrenergo	Ukraine	E&R	700.4	-20.3%	45.8	102.0%	241
319 ↓	Selgros Romania	Romania	CB&T	699.8	-9.1%	12.2	-20.7%	298
320 ↓	Continental Automotive Hungary	Hungary	Mfg	697.9	-0.7%	-19.2	-32.0%	319
321 ↓	eustream	Slovakia	E&R	697.0	-11.2%	319.4	20.1%	290
322 ↓	KGHM Metraco	Poland	CB&T	694.2	-28.7%	1.7	15.4%	212
323 ↑	Cyfrowy Polsat	Poland	TM&T	691.2	4.1%	126.5	-7.5%	343
324 ↑	Ferona	Czech Republic	CB&T	684.5	1.6%	2.2	139.1%	336
325 ↑	VÍTKOVICE	Czech Republic	Mfg	684.1	27.8%	8.6	-37.1%	449
326	Lidl Slovakia	Slovakia	CB&T	676.5	0.0%	N/A	N/A	N/A
327 ↓	GEN Energija Group	Slovenia	E&R	676.0	-17.4%	20.8	0.5%	267
328 ↑	Lidl Magyarország	Hungary	CB&T	674.1	4.1%	-26.0	-105.6%	358
329	Creativ	Ukraine	CB&T	670.2	45.3%	53.3	3.4%	N/A
330 ↑	Lear Corporation Hungary	Hungary	Mfg	670.2	24.9%	-1.6	65.9%	445
331 ↑	JTI Ukraine	Ukraine	CB&T	667.5	1.1%	50.4	N/A	348
332 ↑	Atlantic Grupa	Croatia	CB&T	666.8	1.8%	26.3	199.1%	342
333	Stalprodukt	Poland	Mfg	666.5	54.2%	18.4	28.1%	N/A
334 ↓	KITE	Hungary	CB&T	666.3	-3.8%	11.6	-2.9%	315
335 ↓	Škoda Praha Invest	Czech Republic	Mfg	666.1	-4.2%	12.7	-19.3%	323
336 ↑	Mondi Świecie	Poland	Mfg	664.5	9.2%	137.5	63.5%	391
337 ↓	Strabag Poland	Poland	RE	662.6	-29.5%	15.7	160.2%	238
338 ↓	Moltrade-Mineralimpex	Hungary	E&R	661.3	-10.2%	3.4	6.8%	306
339 ↑	Mercedes-Benz Polska	Poland	Mfg	660.4	12.4%	N/A	N/A	405
340 ↑	MAXIMA	Latvia	CB&T	660.0	0.5%	N/A	N/A	364
341	ČEPS	Czech Republic	E&R	659.9	-1.0%	70.5	-20.4%	341
342 ↓	SIJ	Slovenia	E&R	658.7	-10.1%	-4.9	N/A	307
343 ↑	Palink	Lithuania	CB&T	656.8	0.0%	N/A	N/A	350
344 ↑	ZE PAK	Poland	E&R	656.3	0.9%	57.2	-37.3%	354
345 ↓	Nestle	Poland	CB&T	655.9	-1.9%	38.2	-9.6%	340
346 ↓	Revoz	Slovenia	CB&T	654.4	-28.1%	11.5	-10.2%	232
347 ↓	BENZINA	Czech Republic	E&R	654.0	-1.3%	-0.2	-122.7%	346
348 ↓	Orlen Petrotank	Poland	E&R	653.0	-17.1%	1.5	-22.1%	288
349 ↓	E. Leclerc	Poland	CB&T	652.7	-1.5%	N/A	N/A	345
350 ↑	Samsung Electronics Romania	Romania	CB&T	652.6	22.1%	13.2	-7.2%	451

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Rank		Company name	Country	Industry*	Revenues from sales 2013	Revenues change (%) 2013-2012	Net income 2013	Net income change (%) 2013-2012	LY Rank
351		Alstom Power	Poland	Mfg	648.6	87.6%	17.7	100.2%	N/A
352	↑	Impexmetal	Poland	Mfg	648.0	4.5%	19.5	60.0%	383
353	↓	PRAŽSKÁ PLYNÁRENSKÁ	Czech Republic	E&R	647.4	-4.4%	23.8	-5.8%	333
354	↑	ČGS	Czech Republic	Mfg	643.1	15.3%	65.2	41.3%	437
355		ADM Romania	Romania	CB&T	642.3	51.2%	-4.6	-10.8%	N/A
356	↑	Michelin Hungária	Hungary	Mfg	642.1	-0.4%	52.2	7.4%	362
357	↓	Magyar Posta	Hungary	PS	641.7	-5.1%	3.5	133.4%	339
358	↑	Sanitex	Lithuania	CB&T	641.5	17.3%	N/A	N/A	439
359	↑	AmRest	Poland	CB&T	641.4	13.9%	-7.9	N/A	420
360		Elko	Latvia	CB&T	640.5	-11.7%	4.2	-62.9%	N/A
361	↓	Azovmash Group	Ukraine	Mfg	639.6	-39.5%	0.7	-99.2%	185
362	↑	Alba Ukraine	Ukraine	CB&T	636.8	-0.3%	-1.4	-152.8%	369
363	↑	PHP Polski Tytoń	Poland	CB&T	636.5	0.4%	0.5	57.4%	373
364	↑	METALIMEX	Czech Republic	CB&T	636.0	18.8%	5.8	-20.8%	453
365	↓	Vodafone Czech Republic	Czech Republic	TM&T	634.1	-10.4%	36.7	-46.5%	317
366	↓	Kruszwica	Poland	CB&T	633.7	-2.7%	26.3	N/A	359
367		Volvo Polska	Poland	Mfg	633.2	0.8%	7.7	135.8%	N/A
368	↓	Valeo Autosystemy	Poland	Mfg	632.6	9.7%	47.3	-6.3%	276
369	↑	Netto	Poland	CB&T	631.9	9.5%	13.5	56.1%	410
370	↓	Electrolux Poland	Poland	CB&T	630.1	-0.7%	31.5	N/A	269
371	↓	Optima Grupa	B&H	E&R	629.7	-1.4%	-74.5	7.6%	367
372	↓	CMC Poland	Poland	Mfg	625.7	-20.6%	N/A	N/A	287
373		Johnson Matthey	Rep of Macedonia	Mfg	622.9	29.5%	29.7	0.8%	N/A
374	↓	MVM Paksi Atomerőmű	Hungary	E&R	622.5	-2.7%	76.7	-21.9%	366
375	↓	Orange Slovensko	Slovakia	TM&T	622.0	-8.0%	114.5	-20.8%	334
376	↑	Robert Bosch Energy and Body Systems	Hungary	Mfg	619.5	27.8%	12.7	180.2%	498
377	↓	GDF SUEZ Energia Magyarország	Hungary	E&R	618.3	-23.1%	-0.2	94.8%	271
378	↓	Johnson Controls International	Slovakia	Mfg	617.5	-3.5%	15.5	-9.6%	365
379	↓	Philip Morris Magyarország	Hungary	CB&T	617.0	-8.3%	4.2	42.0%	338
380		Dedeman	Romania	CB&T	615.8	11.3%	66.1	13.8%	N/A
381	↓	Esppol	Poland	CB&T	613.2	-3.3%	1.4	49.1%	372
382	↑	JTI Romania	Romania	CB&T	613.1	10.2%	8.7	N/A	430
383	↑	Veolia	Czech Republic	E&R	611.0	1.7%	49.7	-4.9%	395
384	↑	TZMO	Poland	CB&T	610.5	4.8%	60.2	N/A	406
385	↓	Romtelecom	Romania	TM&T	610.0	-4.5%	N/A	N/A	368
386	↓	Rimi Latvia	Latvia	CB&T	609.0	-4.6%	N/A	N/A	376
387	↓	JP Srbijagas	Serbia	E&R	607.0	-6.9%	-449.3	-30.9%	355
388	↓	DPP	Czech Republic	CB&T	603.1	-2.7%	-14.3	9.1%	385
389	↑	Delphi Poland	Poland	Mfg	601.5	8.5%	-3.2	-110.6%	433
390	↑	SE-CEE Schneider Electric	Hungary	E&R	601.3	22.4%	77.2	49.1%	491
391	↑	CE Oltenia	Romania	E&R	599.8	19.4%	1.0	-96.1%	484
392	↓	EDF Paliwa	Poland	E&R	599.1	-12.1%	4.9	N/A	329
393	↑	HEP - Operator	Croatia	E&R	595.9	15.6%	77.8	37.6%	467
394	↓	Ukrtelecom	Ukraine	TM&T	595.2	-11.7%	-15.5	-143.6%	335
395	↑	Philips Industries Magyarország	Hungary	CB&T	592.5	0.0%	N/A	N/A	401
396		Linas Agro	Lithuania	CB&T	591.7	52.7%	26.2	-3.7%	N/A
397		Avon	Poland	CB&T	591.3	-1.1%	40.1	6.6%	397
398		Samsung Electronics Ukraine	Ukraine	CB&T	590.3	-5.1%	N/A	N/A	N/A
399	↑	CCS Česká společnost pro platební karty	Czech Republic	CB&T	589.6	0.0%	N/A	N/A	408
400	↓	RWE Polska	Poland	E&R	588.7	-3.7%	N/A	N/A	393

Rank	Company name	Country	Industry*	Revenues from sales	Revenues change (%)	Net income	Net income change (%)	LY Rank
				2013	2013-2012	2013	2013-2012	
401 ↑	Zagrebački holding	Croatia	PS	587.5	3.2%	6.6	114.4%	414
402 ↓	Zakłady Chemiczne Police	Poland	Mfg	585.2	-17.8%	9.7	-60.0%	314
403	Compal Electronics	Poland	CB&T	583.5	0.0%	N/A	N/A	N/A
404 ↑	SEPS	Slovakia	E&R	581.5	7.6%	69.4	-12.0%	450
405 ↓	Anwim	Poland	E&R	579.3	-3.2%	1.0	101.5%	396
406 ↑	Magneti Marelli	Poland	Mfg	575.2	2.1%	N/A	N/A	425
407 ↓	HEP - Proizvodnja	Croatia	E&R	574.8	-11.1%	78.8	N/A	394
408 ↓	RWE Energie	Czech Republic	E&R	574.8	-9.0%	380.6	N/A	374
409 ↑	International Paper - Kwidzyn	Poland	Mfg	574.1	-0.4%	118.9	-7.9%	412
410 ↑	Continental Automotive Romania	Romania	Mfg	574.0	7.5%	-13.1	-114.7%	452
411 ↓	Latvijas Gaze	Latvia	E&R	574.0	-5.6%	29.5	-2.4%	392
412 ↓	Philip Morris Polska	Poland	CB&T	572.6	-3.3%	N/A	N/A	386
413 ↑	Continental Matador Truck Tires	Slovakia	Mfg	572.6	4.6%	94.6	10.0%	438
414	Petrol Croatia	Croatia	E&R	572.3	67.0%	1.8	91.2%	N/A
415 ↑	Engrotuš	Slovenia	CB&T	566.4	0.0%	N/A	N/A	416
416 ↓	Transelectrica	Romania	E&R	565.0	-10.2%	46.1	-55.1%	388
417	Indorama Polymers Europe	Lithuania	Mfg	564.7	22.3%	N/A	N/A	N/A
418 ↑	Tarkett Bačka Palanka	Serbia	CB&T	564.6	2.2%	65.7	-0.8%	435
419 ↓	SAS Automotive	Slovakia	Mfg	563.6	-2.3%	10.0	-6.8%	411
420 ↓	Krajowa Spółka Cukrowa	Poland	CB&T	563.4	-0.4%	90.5	-32.6%	417
421	ADMIRAL GLOBAL BETTING	Czech Republic	CB&T	561.3	9.2%	14.7	48.4%	N/A
422 ↓	Polimex Mostostal	Poland	RE	561.1	-42.9%	-43.8	85.3%	210
423 ↑	ABB Poland	Poland	Mfg	559.7	11.1%	18.8	-9.8%	480
424	Ukraine International Airlines	Ukraine	CB&T	557.9	55.0%	1.8	23.6%	N/A
425 ↑	PHARMOS	Czech Republic	LS&HC	557.4	0.0%	N/A	N/A	427
426 ↓	Hankook Tire Magyarország	Hungary	Mfg	555.7	-1.5%	98.4	-25.9%	419
427 ↑	Mercator-S	Serbia	CB&T	551.7	7.6%	4.9	N/A	470
428 ↓	ŠKODA TRANSPORTATION	Czech Republic	Mfg	550.9	-8.4%	67.3	-45.2%	389
429 ↓	Alliance Oil Ukraine	Ukraine	E&R	550.6	-4.5%	8.9	-0.2%	413
430 ↓	Slovnaft Polska	Poland	E&R	548.3	-2.1%	9.8	N/A	424
431	CARGILL AGRICULTURA	Romania	CB&T	546.1	18.2%	-7.3	N/A	N/A
432 ↑	CNH Industrial Polska	Poland	Mfg	546.1	-1.0%	52.2	N/A	436
433 ↑	LuK Savaria	Hungary	Mfg	544.3	12.2%	42.9	-0.1%	497
434	Holdina	B&H	E&R	543.9	77.6%	-3.3	-41.2%	N/A
435 ↓	ALLIANCE HEALTHCARE	Czech Republic	LS&HC	542.9	-3.1%	6.9	-3.0%	423
436 ↓	SUNGWOO HITECH	Czech Republic	Mfg	540.6	-4.8%	-3.1	-161.1%	415
437 ↓	Východoslovenská energetika	Slovakia	E&R	540.1	-3.3%	46.1	-31.6%	426
438	Naftex	Bulgaria	E&R	540.1	-21.7%	-77.5	-80.9%	N/A
439	Travel Service	Czech Republic	CB&T	539.9	26.7%	6.1	N/A	N/A
440 ↑	P&G Trading Ukraine	Ukraine	CB&T	538.4	0.5%	12.4	-34.5%	446
441 ↑	Penny-Market	Hungary	CB&T	537.4	1.1%	6.7	82.7%	455
442 ↓	Oscar Downstream	Romania	E&R	534.2	-3.6%	7.8	15.4%	431
443	Donbasenergo	Ukraine	E&R	533.8	18.4%	53.1	N/A	N/A
444	Philip Morris Ukraine	Ukraine	CB&T	533.3	4.6%	122.3	15.0%	N/A
445 ↑	Ruch	Poland	CB&T	530.2	0.0%	N/A	N/A	458
446	Mega Image	Romania	CB&T	529.9	34.3%	12.5	18.9%	N/A
447 ↓	Celsa Huta Ostrowiec	Poland	Mfg	529.9	-14.9%	N/A	N/A	381
448	Alcoa-Köfém	Hungary	Mfg	529.0	9.8%	56.1	-5.8%	N/A
449 ↓	SPAR CR	Czech Republic	CB&T	525.0	0.0%	N/A	N/A	429
450 ↑	GDF Suez Energia Polska	Poland	E&R	524.1	-1.0%	-22.0	-142.3%	460

** **CB&T** - Consumer Business & Transportation. **E&R** - Energy & Resources. **LS&HC** - Life Sciences and Health Care. **Mfg** - Manufacturing.*
***TM&T** - Technology, Media and Telecommunications. **PS** - Public Sector. **RE** - Real Estate*

Rank	Company name	Country	Industry*	Revenues from sales 2013	Revenues change (%) 2013-2012	Net income 2013	Net income change (%) 2013-2012	LY Rank
451 ↑	Porsche Czech Republic	Czech Republic	Mfg	522.6	-1.5%	7.3	187.9%	456
452	Gaz System	Poland	E&R	522.2	34.0%	71.0	-0.6%	N/A
453 ↓	ČD Cargo	Czech Republic	CB&T	521.4	-11.7%	12.9	141.1%	432
454	Auchan Romania	Romania	CB&T	521.0	17.5%	-20.5	N/A	N/A
455 ↓	Telenor Magyarország	Hungary	TM&T	521.0	-5.7%	93.9	-11.5%	434
456 ↓	OMV Slovensko	Slovakia	E&R	519.6	-12.7%	8.7	N/A	400
457 ↓	Plzeňský Prazdroj	Czech Republic	CB&T	519.4	-3.5%	108.1	N/A	444
458 ↓	Tank ONO	Czech Republic	E&R	519.4	-3.0%	0.4	N/A	448
459	Ikea Retail	Poland	CB&T	515.6	12.5%	N/A	N/A	N/A
460 ↓	Real Romania	Romania	CB&T	514.8	-20.9%	-68.8	N/A	353
461	MG Baltic	Lithuania	CB&T	513.4	13.5%	30.2	20.8%	N/A
462	Iveco Czech Republic	Czech Republic	Mfg	512.6	16.1%	40.0	5.6%	N/A
463 ↓	Achema	Lithuania	Mfg	510.7	-24.1%	N/A	N/A	337
464	Farmexpert	Romania	LS&HC	509.8	10.5%	20.9	7.7%	N/A
465	Nitrogénművek	Hungary	Mfg	508.0	48.6%	7.7	-89.2%	N/A
466 ↓	BAT Magyarország	Hungary	CB&T	507.9	-22.1%	3.5	61.3%	352
467	EUROVIA CS	Czech Republic	RE	506.5	-15.7%	18.6	-26.9%	N/A
468 ↑	ABB Czech Republic	Czech Republic	Mfg	506.1	4.6%	37.9	-19.7%	500
469 ↓	TEVA Magyarország	Hungary	LS&HC	505.7	-49.9%	80.9	N/A	200
470 ↑	Coal of Ukraine	Ukraine	E&R	505.2	-0.6%	-7.8	N/A	476
471	Continental Automotive Systems Romania	Romania	Mfg	504.7	47.2%	-3.7	86.9%	N/A
472 ↓	Dalkia Česká republika	Czech Republic	E&R	502.3	-2.8%	71.0	-3.8%	465
473	Remontowa Holding	Poland	Mfg	502.0	16.2%	63.1	190.3%	N/A
474	Tallinna Kaubamaja	Estonia	CB&T	499.0	6.6%	18.0	-14.3%	N/A
475 ↓	Nestle Ukraine	Ukraine	CB&T	499.0	-2.1%	14.8	160.9%	473
476 ↑	Auchan Ukraine	Ukraine	CB&T	499.0	0.8%	-15.0	-58.8%	489
477	PHOENIX Zdravotnícke zásobovanie	Slovakia	LS&HC	497.8	9.5%	3.8	95.6%	N/A
478	ZRP Farmutil HS	Poland	CB&T	496.9	11.2%	13.6		N/A
479	Rewe Romania	Romania	CB&T	496.9	14.7%	0.1	108.5%	N/A
480	JP Elektroprivreda BiH	B&H	E&R	496.8	9.6%	18.9	N/A	N/A
481 ↑	Avangard	Ukraine	CB&T	496.6	1.8%	178.8	1.1%	493
482 ↓	Mondi SCP	Slovakia	Mfg	495.6	-2.7%	54.2	36.1%	475
483 ↑	Furshet	Ukraine	CB&T	494.8	0.0%	N/A	N/A	488
484 ↓	Zakłady Azotowe Kędzierzyn	Poland	Mfg	493.8	-5.6%	20.5	-31.0%	461
485 ↓	Interagro	Romania	CB&T	491.9	-22.1%	5.6	-87.6%	375
486	Evraz-Sukha Balka	Ukraine	Mfg	491.2	10.7%	38.7	98.9%	N/A
487 ↓	Philip Morris ČR	Czech Republic	CB&T	490.4	-5.0%	85.7	-11.8%	468
488 ↓	Serna	Ukraine	CB&T	489.0	-17.8%	0.3	105.1%	399
489	ThyssenKrupp Energostal	Poland	Mfg	488.1	-8.4%	7.6	5.7%	N/A
490	Idea Beograd	Serbia	CB&T	487.8	5.6%	-20.6	41.7%	N/A
491	Magyar Áramszolgáltató	Hungary	E&R	486.0	6.2%	6.2	73.5%	N/A
492	Bunge Ukraine	Ukraine	CB&T	485.6	-17.2%	7.7	-66.2%	N/A
493 ↑	PINI Polonia	Poland	CB&T	485.5	0.0%	N/A	N/A	496
494	Cargill Magyarország	Hungary	CB&T	485.5	4.8%	0.2	102.8%	N/A
495 ↓	STRABAG CR	Czech Republic	RE	481.5	-5.3%	15.1	79.2%	477
496 ↓	ŽSR	Slovakia	PS	481.0	-2.1%	45.2	156.3%	490
497	Michelin Romania	Romania	Mfg	480.9	0.6%	17.7	124.7%	N/A
498	ALTA Invest	Czech Republic	Mfg	480.2	11.6%	11.7	114.1%	N/A
499	Autoliv Romania	Romania	Mfg	480.0	12.8%	15.1	-48.4%	N/A
500	Renault Polska	Poland	Mfg	476.7	9.9%	4.3	N/A	N/A

Methodology

The Central Europe Top 500 ranking is compiled based on consolidated company revenues for the fiscal year ending 2013. The ranking is based on revenues reported by a particular legal entity operating in Central Europe. The ranking groups companies by industry and country.We also display the ranking of the 25 largest Central European companies by market capitalisation as of July 2014 and a list of the major foreign groups in the region.

Deloitte has sourced the information by individually approaching the companies themselves, from publicly available sources and estimates based on a comparison with last years' results and our research.

We have ranked banks and insurance companies by total assets and gross written premium respectively.

The gross written premium of insurance companies includes both premiums from life and non-life operations, despite the fact that in certain areas these companies operate as separate legal entities.

The list of major foreign investors in the region is made up of aggregated revenues of those Top 500 companies controlled by investors. These figures are only approximate, as they do not include, inter alia, intra-group sales and it is possible that they also do not contain the revenues of all subsidiaries in the region.

Missing data

In cases where revenue for the fi scal year 2013 was not available, we used the reported 2012 revenue in local currency as a proxy for 2013. In case of companies reporting according to IFRS, depending on data availability, we treated comprehensive income as net income. The list does not include companies that were invited to participate in the ranking, but who informed us in writing or verbally that they would not be taking part this year.

Revenue calculation

Revenue has been calculated in Euros at the relevant average exchange rates for 2012, 2013, and the first quarters of 2013 and 2014. The revenue for subsidiaries of large groups has been shown separately for those subsidiaries which operate in different industries, subsidiaries or countries from the consolidating entity and are large enough to enter the list on their own.

In our research, we also examined companies from Albania, Kosovo, Moldova and Montenegro However, they have not entered the Top 500 list due to their relatively low revenues.

Data gathered from public sources has not been confirmed by representatives of the companies themselves. Deloitte is not responsible for the accuracy or correction of third party data gathered from public sources or provided by the company.

The revenue for subsidiaries of large groups has been shown separately for those subsidiaries, which operate in different industries, subindustries or countries than the consolidating entity and are large enough to enter the list on their own.

Deloitte ranking does not include holding structures or other types of business conglomerates with subsidiaries operating in various industries and different markets, trade strategies and separate management and whose consolidation on holding (conglomerate level) is rather a total sum of sales incomes of the subsidiaries acting in the relevant industries and markets.

We do not present companies with several business units, out of which none can be treated as the main one, investment funds, leasing companies or other financial services companies, which are not banks or insurance companies.

Russia/Belarus

For the purposes of this analysis, our ranking includes companies in Central and Eastern European countries with the exception of Russia and Belarus.

In both cases we were unable to find reliable data that could be used in the rankings. The size of the Russian economy and some of its major companies also makes industry and country comparisons difficult.

Leaders on market and innovation

Why we need to collaborate

By Florin Buligoanea, CFO

***A&D Pharma/ Mediplus Exim**, Romania*

Upcoming challenges

In my opinion, the main challenge facing the private pharmaceutical companies in Romania is the requirement to operate in a non-transparent and unpredictable environment, within an underfunded healthcare system. It is for this reason that Romanian pharmaceutical companies and the country's authorities should constantly work in collaboration, so that together we can create and maintain a transparent and predictable healthcare environment that allows Romanian patients to have constant and easy access to the medications they need.

Drivers of growth

We believe that, in the near future, a number of factors will all prove to be important steps in maintaining stability and in increasing the predictability and transparency of the Romanian pharmaceutical system. These include the introduction of new molecules to the compensated drugs list, implementing electronic health records for Romanian patients and preserving the demographic criteria that govern the opening of new pharmacies.

Industry trends

Two words, "consolidation" and "differentiation", best define the prevailing direction of the Romanian pharmaceutical industry over the next five years.

Fuelling innovation

As the leader of the Romanian wholesale and retail pharmaceutical market, A&D Pharma is constantly looking for new solutions and strategies at every stage of the development, production and marketing process. Taking this approach means we can better serve our clients, partners and all patients who are dependent upon the Romanian health service.

Confidence is the key for Romania's banks

By Omer Tetik, CEO

***Banca Transilvania**, Romania*

Upcoming challenges

We believe our industry faces three main categories of challenge. First, the macro-economic context remains fragile, with several unexpected developments continuing to shake banking systems in different parts of the world. Next, changes to the regulatory framework are driving banks to significantly reconsider and amend their business models. Third, client expectations, market developments and competitor activities represent another set of important challenges for all banks, which are having to rethink and base their strategies on fundamentals that are completely different to those of the past.

The drivers of growth

Above all, the banking system in Romania needs confidence. Once this has been restored in the capacity of the Romanian economy to recover and to grow, then banks will start to show a new appetite for increasing credit exposure, investing in new product development and reaching new sectors.

As for Banca Transilvania, considering our extensive infrastructure and client base, we anticipate significant and intensive growth potential.

Industry trends

Internet-based platforms have an increasing role to play for transactional banking products. The winners will be those banks with state-of-the-art systems and an efficient organisational structure.

Fuelling innovation

The ongoing search for innovation and improved solutions involves a combination of crucial factors, including technology processes, organisational structure, marketing and product development. A focus on just one will never produce excellence. The rapid pace of change in the banking environment also means there is no opportunity for banks to react individually to each factor.

Open doors, continuous communication, allowing time to listen and provide feed-back – these are attributes of our top management that give employees the opportunity to innovate. Our employees do not work at a bank, they create the bank. This is the corporate culture at Banca Transilvania, which has led to our regularly being acknowledged as market pioneers.

Strategies in next-generation banking

By Mateusz Morawiecki, President

***Bank Zachodni WBK**, Poland*

Upcoming challenges

The main challenges for the banking sector in Poland in the months to come will remain the lowest interest-rate environment in history, as well as the reduction in interchange charges. Banks must seek new sources of income and, most important, use their existing resources more effectively.

Drivers of growth

The relatively good forecasts of economic growth should be helpful, yet banks still need to develop strategies to find new revenue streams. The key issues are those connected with improving the customer relationship, with the aim of increasing the transactionability or the level of productisation.

Industry trends

Therefore, the main challenge ahead is maintaining a strategic focus on the client, by working both on the quality of the offer and optimising its segmentation. Another important factor will be how properly to respond to new technologies. Next-generation communication channels will not only be places to exchange information, but also new client-relationship and sales channels. Accurately interpreting client data and matching them to one's own strategy will also grow in importance. Those with the best view of their clients will gain from better loyalty and acquisition levels.

Fuelling innovation

Before this "brave new world" prevails permanently, banks need to improve their organisation and adapt to a fast-moving environment that can move in unpredictable directions. The most important issue here is process improvement. Faster processing of credit decisions, streamlined and more effective client service and fit-for-purpose channel structures will make it possible for clients to increase the value they gain from their banking relationships and increase banks' understanding of their clients' real needs.

This also calls for a shift in attitude at the bank. This is why at Bank Zachodni WBK we have launched a programme, called the "Next Generation Banking", which fully links our strategic business development plans with our realigned processes to ensure they can be achieved. In this way, each individual bank employee becomes in some measure responsible for the total business impact of change.

Infrastructure investments to drive construction growth

By Dariusz Blocher, President of the Board

***Budimex S.A.**, Poland*

Upcoming challenges

The main challenge in the near future is not to repeat the errors made when carrying out infrastructural investments in Poland under the previous EU financial perspective. To accomplish this, changes are necessary both in the Public Procurement Law and in contractual provisions in order to balance out the rights and duties of public investors and economic operators.

The drivers of growth

Infrastructural investments in roads, railways and – hopefully – the power sector are set to become the key growth drivers for the construction industry and consequently for Budimex SA. I also expect Budimex SA to be involved in hydrotechnical development and the construction of an incineration plant.

Industry trends

Driven by the 2014-2020 financial perspective, the growing value of orders from the public sector will dominate, especially those relating to roads and railways. The fact that demand is on the rise means the prices of construction materials and services are certain to increase, as is the competition.

Fuelling innovation

We are constantly seeking improvement opportunities in all spheres of activity and are continually enhancing our organisation, processes, technologies and stakeholder relations. Our culture relies on constant advancement and no sphere is excluded from our pursuit of progress. Any employee who possesses knowledge and skills and fosters our culture is a key asset.

We encourage innovation (which we define as the continuous pursuit of improvement) in all aspects of our operations – core business and auxiliary activities alike. We do not limit ourselves to one-off innovation-related events or competitions, such as the annual Zuritanken contest held in Ferrovial companies (the global company that is the strategic owner of Budimex). Thanks to our culture of open-mindedness, our incentive scheme and several other activities under our CSR policy, our employees are always motivated to innovate.

Making innovation an every-day event

By Manolis Karydakis, CFO

***Delhaize**, Serbia*

Upcoming challenges

Our research department has identified two main challenges for the Serbian retail industry for 2015 and onwards. On the one hand are the austerity measures and salary cuts to be implemented by the Serbian government.

On the other is the parallel strengthening of the "grey economy", finding fertile ground due to the significant fall in average spending power. This strengthening could potentially harm the government's attempts at the fiscal restructuring of the local economy, as state revenue targets will be at risk. If these are not met, the government may find itself in a vicious circle of continuously implementing new austerity measures without achieving any significant results.

The drivers of growth

As a response to the macro-economic environment, growth of the industry as a whole and our company inparticular should come from price investments, assortment diversification and optimising systems and procedures.

Industry trends

The trends we expect to dominate and characterise the industry's commercial platform over the next three to five years are very specific: the emergence of hard discounters, either through local players taking a harder discount profile, or through international hard discounters entering the Serbian market; an increased focus on e-commerce; and a market shift towards higher consolidation.

Fuelling innovation

Innovation and improvement are always among the priorities and key drivers of improved performance, whether sought through better organisation and optimised technological processes or through enhanced service and marketing. Processes in particular, have been and will be at the core of our organisation's strategy. They are key elements of a paradigm for modernisation and ongoing improvement.

Innovation is not just a theory but a daily practice at Delhaize – employees at all levels are expected and encouraged to come up with innovative ideas. The best of these are presented to the Commercial and Executive Committee, with the potential to become elements of best practice within the existing strategic framework.

Achieving the right balance

By Paweł Olechnowicz, CEO

***Grupa Lotos S.A.**, Poland*

Upcoming challenges

The biggest challenge facing the oil and gas industry is how to achieve political, economic and financial equilibrium. For the next year the outlook is uncertain; the main questions revolve around the inflamed situation in the Middle East, where the Israeli–Palestinian conflict and the emergence of the caliphate movement threaten to disturb the overall balance. In Poland, the strong grey and black market in fuels is severely distorting trading conditions, making it difficult for law-abiding and transparent companies such as LOTOS to compete.

The drivers of growth

After the completion of important downstream investments that have brought state-of-the-art technologies to fruition, LOTOS is now focusing on increasing its upstream capabilities. These efforts will concentrate on the Baltic Sea, where a new platform will start producing crude oil next year, and on Norway, particularly in the Heimdal field. Our own deliveries of crude should reach a level of around 24,000 bbl/d by the end of 2015.

Industry trends

In my opinion two trends will be crucial for the oil and gas industry over the next five years. Both include a substantial political ingredient. The first involves the evolution of thinking and practices between suppliers and users, in order to improve co-operation and reduce conflict across all elements of the oil industry. We live in a global economy and we are all in the same boat. Nobody benefits from rocking it. The second factor is the achievement of a proper balance between traditional and renewable energy resources. The too rapid enforcement of the shift towards green energy may handicap economic growth and result in tensions between parties on different sides of the divide.

Fuelling innovation

LOTOS is perceived as an innovative, hi-tech oriented oil company. We have been and continue to be extremely successful in modernising our refinery and taking advantage of state-of-the-art technology to increase its efficiency and protect the environment. This approach reflects upon the highly efficient organisation of the company and marketing of its high-quality products. It also confers upon us a strong, competitive position in a tough market place.

We encourage our employees to keep their eyes wide open and to come forward with ideas for innovating or streamlining the production process, benefitting the environment. This brings us all the huge potential of progressive thinking, which we encourage and support. Such an approach also enhances our employees' loyalty to the company and increases their pride in working for LOTOS.

Changes in retail

By Pedro Pereira da Silva
Chief Operations Officer, Country Manager
***Jeronimo Martins Group**, Poland*

Upcoming challenges

Changes in demographics and lifestyles pose big challenges for the retail market. Ageing population, single households, widespread access to internet and mobile technologies, urbanisation and growing appreciation for time – all these factors make retailers re-think and re-define their strategies to address the changing clients' needs in the best way possible. Shops are expected to become closer, smaller and easier to shop. Also, uncertain economic environment and the growing debts of households, cause customer pressure on low prices, at the same time with higher quality available, which is another key point the retailers will need to address.

Industry trends

What we already observe, is the retail formats diffusion and further development of smaller, neighbourhood formats. The differences between different types of stores – discounters, supermarkets, convenience stores – are becoming less visible, as all formats are trying to present the best neighbourhood offer for their clients. And, eventually, the success will lie in operational and cost efficiency of the retailer, as well as in its quality of service.

Specifically in Poland, we will see further development of modern trade in Poland and consequent consolidation. Traditional trade is still very strong in Poland, presently accounting almost to 50% of the retail market. This shows that still a lot it will happen in Polish market when compared to the Western European economies and to the neighbouring countries, where modern commerce has 70-80% market share. Modern trade will continue to be developed in Poland, and consequently market consolidation, a trend that has been in place for the last few years.

Fuelling innovation

For many years now, Biedronka has been very consistent is executing its long-term strategy, based on high quality with low prices every day, local products, proximity and high and efficient service level. While continuing to focus on these pillars of our strategy, we constantly seek increased effectiveness through innovations in all key areas of our activities, starting from product development (modern technology packaging using MAP, PET, re-opening; barcodes allowing for product traceability; pro-health recipes), through logistics (eco fleet, voice orders, supplier-integrated supply chain) and to modern solutions in stores (automatic orders, mobile payments). To meet the expectations of the customer we also continue investing in the development of employees and training, at the same time creating promotion opportunities.

Maximising knowledge across the organization

By Herbert Wirth, President of the Management Board

***KGHM**, Poland*

Upcoming challenges

The state of the copper industry is clearly determined by the global economy, especially the pace of GDP growth in emerging markets. The recent very high volatility of global economic conditions makes prediction extremely difficult. That is why the main challenge of the coming year is managing the business successfully in the face of market highs and lows. The key is cost management, and for KGHM – operating in safe administrations and starting production from its high-margin Sierra Gorda mine in Chile – it should be much easier than for others.

The drivers of growth

For KGHM and the wider copper industry, growth comes through developing new rich deposits of copper ore. Contrary to expectations of long-term oversupply, we can see how few greenfield projects are currently at the development stage. It opens room for growth for companies like KGHM, which is currently working on new projects on three continents. Apart from Sierra Gorda, one of the world's largest and most profitable copper mines, two new Canadian mines are set to enter production in the medium term.

Industry trends

There is a high probability that the copper market will slip into deficit within five years. We share the view of some analysts who predict that it may happen as soon as 2016. Efficiency and the optimal use of scarce resources will be crucial. Our answer is to explore our new licences and exploit the fact that copper deposits often co-occur with other precious or critical metals. Concerns are arising regarding the availability of some minerals, which KGHM perceives as an opportunity.

Fuelling innovation

Innovation at KGHM aims to eliminate natural threats caused by earth tremor and rock bursts to improve safety, to maintain high standards of environmental protection and to reduce production costs.

Seeking the most profitable ways of exploiting new deposits is particularly important. Searching for solution to air conditioning of deeply situated extraction deposits and attempts of exploitation of lower layers with use of an activated cutting technology (ACT) for continuous mining of hard minerals deposits is a great challenge.
Our research mainly focuses on improving efficiency in exploitation, work organisation and the safety of extraction. We are seeking new methods and technologies for the flotation of ores, which would enable us to increase the extraction of pure copper and precious metals; we are also conducting research into an alternative way of managing flotation tailings.

An important advantage is that we encourage employees with detailed professional understanding to develop our technical and organisational solutions.
KGHM's knowledge-management strategy corresponds to our core strategy of treating knowledge as our key resource. It identifies which areas of knowledge are critical, stimulates the release and wider application of explicit knowledge and encourages the flow and generation of tacit knowledge. This results in an increase of organisational proficiency and efficiency.

The future of Ukrainian telecommunications

By Petr Chernyshov, CEO

***Kyivstar**, Ukraine*

Upcoming challenges

Investments in the Ukrainian telecoms market are artificially constrained, largely because the major telecom operators do not have licenses for 3G/LTE services. Obtaining licenses would not only give the market new momentum, it would also boost GDP by a couple of points and allow new types of businesses to emerge.

A steady decline in the average revenue per user is underway, attributable to increasing price competition and the absence of an entire platform of services that require the transfer of broadband data. The industry therefore requires a new technological framework.

The drivers of growth

We hope that telecom operators will obtain 3G/4G licenses in 2014. The Decree of the President envisages "the formation of a fully-fledged information society." This is possible provided the tendering of frequencies for a quick launch of 3G is conducted simultaneously with the implementation of technological neutrality (which ensures there is no discrimination in favour of a particular technology), and a strategic decision on the development of 4G/LTE communication technology.
In addition, all companies will be eager to maximise their operational efficiency and make prudent investments. We are also focused on radically improving the customer experience, requiring a complete "reboot" of the company and its business processes.

Industry trends

We believe there is large, pent-up demand for mobile broadband data transfer services in Ukraine, so we should expect significant growth when the technology arrives. Telecom operators will expand their activities to include products like mobile and financial services, Internet TV and mobile applications and content development.

Fuelling innovation

The Ukrainian telecom market needs full-scale deregulation, reducing the administrative burden on business and simplifying licensing documents/procedures. Currently, Ukraine applies multiple licensing to the same services, making the issuance or replacement of various documents very complicated. The state considers the industry only in terms of new taxes, not as a partner in developing infrastructure. We expect cautious measures from the regulator about legislative recognition of the "technological neutrality" approach to ensure early implementation of 3G/LTE technologies. Then we shall see an abrupt surge in the telecom market.

Innovating ahead of market change

By Āris Žīgurs, CEO

***Latvenergo AS**, Latvia*

Upcoming challenges

The upcoming year will be very important, not just for Latvenergo AS, but for the entire Latvian economy. On 1 January 2015, the liberalisation of the electricity market in Latvia is expected to be completed. Our electricity sales increased considerably in the first quarter of 2014, and we currently control more than a third of the Baltic market as the leading electricity supplier in the region. Competition will increase in the coming year, as new players enter the Baltic market. The main challenges for ourselves and the energy industry in general will depend on such electricity market developments as market expansion, Latvian and Lithuanian households entering the market, new interconnections and increased competition.

The drivers of growth

Given the trend for electricity consumption to decrease and the number of electricity traders to increase, stiffer competition is inevitable. Next year, this will be a major driving force behind industry growth in Latvia and in the Baltics.

Industry trends

Over the next five years the Baltic energy industry will be greatly affected by the Baltic electricity market greater integration with Scandinavian market via the Lithuania-Sweden interconnection. It will give customers greater choice and access to cheaper electricity. It will motivate generators and traders to optimise efficiencies to compete with major regional producers on the Nord Pool Spot exchange. Producers that cannot adjust flexibly to these market conditions might find themselves edged out of the market altogether.

Fuelling innovation

Our constant focus on meeting customer interests efficiently has guaranteed our status as a trustworthy partner. We are constantly planning and introducing competitive new products, improving our services and modernising our generation facilities to increase and diversify our generation capacities. In our strategy we take into consideration the EU energy regulations and their goals, as well as the Baltic business environment and its forthcoming changes. Innovation is also an important element in our daily activities, to mention just one example – in 2012, Latvenergo Group subsidiary Sadales tīkls AS established an Expert Group to identify our brightest people, regardless of their job position, and encourage them to study, evaluate and create proposals for technical development. This project helps us to generate innovative ideas and involve their authors in implementing them. The company's creative spirit is also upheld by our extensive co-operation with the Riga Technical University, where many employees receive higher professional education and continue their doctoral studies.

Energy consumption to grow in line with Lithuanian GDP

By Andrius Bendikas, Member of the Board, Director of Finance and Administration division
***LESTO AB**, Lithuania*

Upcoming challenges

The model for regulating electricity pricing is set to change in 2015, when a new regulatory model (LRAIC) should be implemented. LESTO, which is regulated by the National Commission for Energy Control and Prices, is preparing for such future change in a consistent and focused manner. Another challenge is posed by the EU directive setting energy-efficiency obligations for member states. Lithuania's quota for 2014–2020 obliges LESTO to invest in new energy-saving solutions each year, and we are planning our investments to increase the efficiency of our energy usage.

The drivers of growth

Banking analysts expect Lithuanian GDP to grow by approximately 3.5–3.7% in 2014. As electricity usage is closely related to GDP growth, this will have an impact on LESTO's activities through increases in the amount of electricity received and distributed by the distribution network.

Industry trends

A common market for electricity derivative financial measures is set to be created for the Baltic States in 2014. This is likely to drive new opportunities for trading electricity and to increase competition, leading to a possible decrease in the trade activity margin. High-permeability electricity links will be built with Sweden and Poland in 2015, meaning a levelling can be expected between electric prices in Sweden, Poland and Lithuania.

Fuelling innovation

LESTO focuses much attention on improving efficiency. Our long-term investment strategy includes modernising the distribution network, laying cables that are resistant to the impact of natural disasters and implementing smart metering, information technologies and other improvement practices. This both drives down costs and improves the quality of services we provide to customers. Examples of modernising and automating metering instruments include the remote collection of information from over 20 thousand business customer meters, accounting for more than half the electricity we distribute. Such investments in modernisation have created the basis for a free Lithuanian electricity market in which consumers can choose independent electricity suppliers offering the best prices and services. LESTO's environment encourages innovation and initiative. Our internal webpage includes the 'Idea Generator' in which employees can propose their ideas for improvement. We involve staff from all levels through a bottom-up approach in strategic projects determining key changes and process amendments. We provide opportunities for specialists to share experience with peers from abroad, and focus resources on the continuous training of employees.

Meeting the demands of the connected society

By Thanasis Katsiroumpas, CEO
***Mtel**, Bulgaria*

Upcoming challenges

The greatest challenges we face are how to manage the decline in revenues caused by severe price competition between telcos in Bulgaria, regulatory pressures and the fall in consumers' purchasing capacity – all while providing the best technology and services to our customers. A sustainable EU policy focused on increasing investments instead of increasing regulations would have a positive effect on all European telecoms companies.

The drivers of growth

Data services – both mobile and fixed, and particularly when part of multi-play offers – will bring the greatest value to the industry and to Mtel alike. The connected society we live in has drastically changed the way we communicate and use our devices. This is an opportunity for the industry to benefit from the growing need for fast anytime, anywhere internet access.

Industry trends

The most important trend affecting our industry is the transition from voice to data services, leading to a focus on bundle offers, convergence and the improved network capacity that's needed to enable heavier data traffic. Second is value for money – customers have greater choice these days, and we are expected to provide more for less with a best-in-class customer experience. And finally comes EU market consolidation – if this is allowed by the regulator, it would bring strong European players into the world telecoms market. This means higher investments, more jobs and stronger economy.

Fuelling innovation

Innovation and quality are essential for every aspect of our business, including factors such as technological processes, the organisation, marketing and products or services. As a result, innovative solutions are part of Mtel's Core Competency model and all the company's people management policies. Special training events, additional brainstorming sessions, workshops and competitions are all organised on a regular basis, with a goal of encouraging our employees to challenge the status quo, make innovations and change elements of our culture.

Driving environmental improvement in Ukrainian agriculture

By Alexey Vadaturskyy, CEO

***Nibulon**, Ukraine*

What should be the Ukrainian government's top priorities for the economy in general and specifically for the agricultural industry?

It should improve currency regulations by removing the 90-day restrictions on the return of currency earnings, which significantly limit the competitive capabilities of domestic businesses conducting foreign economic activities. It should also conduct audits and improve the process control schemes for determining the customs value of goods. There is a need to reduce the time and resources needed for customs procedures, as well as substantially simplifying them for companies that have earned a high level of trust.

The point to be emphasised is that we have to solve existing problems without waiting for help from the outside and the creation of an attractive investment climate in Ukraine. We already are searching for new growth ideas and encouraging investments from the world's leading financial institutions, such as the European Bank for Reconstruction and Development (EBRD), the International Finance Corporation (IFC) and similar organisations.

A key factor determining the further development of the agrarian industry is continuous cooperation and dialogue between the government and business to drive the improvement of the legislative framework, market stability, support for business initiatives and attraction of the foreign and domestic investors to work in Ukraine.

Fuelling innovation

The main potential for improvement in the domestic agricultural industry, in my opinion, is in developing Ukraine's logistics infrastructure.
The use of modern renewable energy technologies, for grain drying in particular, presents an equally important issue. This not only saves energy, but also preserves the high quality of the grain. It was for the implementation of such measures that in 2011 the EBRD pronounced NIBULON the winner of the Ukrainian Energy Efficiency Programme (UKEEP) for "The Most Energy-Efficient Project".

Aiming for enhanced efficiency

By Marek Woszczyk, Chairman of the Board

***PGE Group**, Poland*

Upcoming challenges

The overall environment inside the energy industry is a constant source of new challenges for Polish power utilities. Although we are witnessing an economic recovery in Poland, along with higher wholesale power prices and relatively low fuel and carbon costs, there is still a great deal of uncertainty over the long term.

Drivers of growth

We are closely and carefully following all the strategic regulatory issues that are set to have an impact across Europe. These include new nuclear energy support schemes, revised laws governing renewables, the development of the capacity markets and progress within the internal market. This is because these are the factors that will largely define the future landscape of the power sector.

Industry trends

We expect to see a revision of the current wholesale market model and the introduction of new 2030 climate targets with proposals aimed at increasing carbon prices.

Fuelling innovation

The PGE Group adopted a new strategy in May 2014, with the objective of making our direction of growth and financial aspirations clear to our shareholders. We aim to be a leading electricity producer in Poland, a favoured and reliable electricity supplier, the country's most efficient power utility, an active developer of new business areas and a pursuer of innovation.

To achieve these goals, it is our aspiration to spend at least 1.5% of our annual net profit on R&D activities from 2015 onwards. The PGE Group will actively search for and develop new products and business areas. Directions of growth that we have initially identified are implementing a modern electricity infrastructure (including an e-mobility infrastructure, distributed generation and storage and the electrification of heating), comprehensive energy solutions for customers, waste to energy, new markets and new products for the wholesale trade.

Enabling improvement every day

By Zbigniew Jagiello, President of the Management Board

***PKO Bank Polski**, Poland*

Upcoming challenges

Economic recovery is positively affecting the profitability of the banking sector. As a result, lending will accelerate, especially in the corporate sector. However, the rapidly developing situation in the east may slow down projected growth. This relates not only to the recent EU sanctions imposed by Moscow but also to probable recession in Russia, which will mean a general fall in imported Polish goods. After all, financial institutions are expected to response to growing internationalisation of Polish companies and it will be crucial to adapt the sector to the needs related to distribution of finance resources from the new EU perspective for 2014-2020, which will finance to a greater extent innovativeness of the Polish economy. The banking sector faces the necessity to response to needs related with financing large infrastructural investments, which are predicted to be numerous very soon.

The drivers of growth

This year and next, we will focus on integrating the assets we have taken over of Nordea. We estimate this will lead to an additional increase in net profit of around 9% within the next two years, which also means there is potential for increasing our dividend. This transaction exhausts our appetite for taking over other Polish financial institutions, although our strong capital and cash-flow position allows us to consider future mergers in the area of investment funds or leasing.

Industry trends

The most important trends cover demographic and technological change, key among which is effective multichannel. It means on one hand that we must improve customer service via the contact centre and internet, and on the other that we must develop traditional channels – new cash-machine functionality and the evolution in banks towards a service model around professional advisory.

Fuelling innovation

I encourage everybody in the organisation to share their ideas – and if these meet a business case, they are implemented. Since we launched an internal e- platform in our Innovation Centre in 2013, some 7,000 people have used it and nearly 700 projects have been submitted. It is also a rule that while developing new solutions, we first engage our employees for the tests. If we plan to implement changes in the iPKO transaction platform – the next version of the IKO mobile payments application – our colleagues are the first to verify any proposed functionalities and influence the solution's final shape. Also, before confirming the decision to implement a new personal banking model, we first conducted pilot studies in chosen departments.

RWE sees future in smart energy

By Filip Thon, CEO, RWE Polska and Member of the Board

***RWE Retail**, Poland*

Upcoming challenges

We are witnessing the fastest-ever development of new technologies, which will change the way we behave as consumers, impact our industries and transform the global economy.

The energy sector is not exempt. It has been undergoing a deep transition of many sorts: from fossil fuels to renewable energy generation; from central to decentralised units; from a pure commodity supply to the provision of a set of innovative products and services managing the entire spectrum of energy needs; and, last but not least, from traditional channels to digital customer communications.

Industry trends

The development of the internet has permanently changed how customers perceive their relationships with energy suppliers. And some technological solutions, for example energy storage and generation from renewable sources, have brought lasting changes to the energy business model.

Fuelling innovation

As consumers and businesses, we should prepare ourselves for these future challenges. As one of Europe's five leading electricity and gas companies, supplying 23 million customers, RWE is playing an active role in the energy sector's transition. Therefore, a key challenge for RWE in the upcoming years will be to foster innovation and further improve our organisational culture by encouraging employees to come forward with good ideas. This innovative approach is helping to change the business model by exploring new market opportunities.

To stay at the forefront of the industry, RWE invests heavily in R&D, amounting to EUR 150 million in 2013. We constantly track how the energy market is changing and which technologies might dominate in the future. For instance, RWE in Poland has published a study of technology development scenarios through 2050. In it, RWE experts predict the potential impact of technological development on the whole industry, irrespective of the direction in which the market develops.

Leveraging the opportunity for employment growth

By Alfred Watzl, Member of the Management Board
***STRABAG Sp. z o.o.**, Poland*

Upcoming challenges

Poland continues to be one of Europe's major construction markets. The need to implement very large road investment projects while following practices that do not pose threats to other market participants will represent the most significant challenge for the industry as a whole. This means there will be a need for stable raw material prices, for top-quality, comprehensive logistics services and for ongoing liaison with only the best-in-class contractors. This time, the Polish road extension plan must be executed perfectly.

The drivers of growth

New public investments subsidised by the EU are set to exert the most significant effects on the shape and overall condition of construction and related markets. It is of crucial importance that we have stable and successful construction companies. This will ease market anxieties, not only boosting investment in roads but also encouraging important projects in the industrial and commercial sectors. These will translate in turn into new contracts and employment for thousands of people.

Industry trends

This will be the time for local governments to get ready to implement new funding schemes for construction projects. As contractors experienced in operating the PPP formula, we will join them in the search for solutions that will enable the development of local roads without EU support. We anticipate (and count on) the arrival of increased interest in new technologies as well as innovative solutions for the construction industry.

Fuelling innovation

STRABAG is a technology construction group, which uses innovative solutions within the construction industry. Having the necessary expertise and advanced equipment, we are showing that the Polish construction industry is capable of rapidly responding to the latest trends. We are also changing the way people think about our organisation, focusing primarily on the Teams Work solution. This reflects our overall philosophy – from how the company is managed as a whole, down to the implementation of one-off projects.

We use several proprietary technologies developed and implemented by special units within the company. There are organisational units in our group that are responsible for the continuous improvement of our solutions. The Teams Work system promotes ideas contributed by our employees in such areas as process optimisation.

Preparing for the impact of digitization

By Igor Vida, CEO and Chairman of the Board of Directors
***Tatra banka**, Slovakia*

Upcoming challenges

Two of the main challenges we face involve balancing business needs with the obligations of the regulatory environment and the state. These are the challenge of meeting the regulation requirements while growing the business, and that of absorbing additional tax burdens (such as the bank levy in Slovakia and the Slovak and European Depository Guarantee scheme) while delivering a strong P&L performance.

In addition, we have to deal with decreasing margins at the same time as strong competition on prices.

The drivers of growth

Slovakia is experiencing one of the fastest rates of GDP growth in the EU, which in turn is set to drive strong domestic demand for banking products including increases in corporate lending needs.

Industry trends

We believe that digitization is the single overarching theme that will have the greatest impact on the banking industry in a wide range of ways, from product and service offerings and distribution channels to customer relationship management, the customer experience and internal processes.

Fuelling innovation

What is of crucial importance to us is our ability to deliver added value and a unique customer experience through innovation for everybody we come into contact with – regardless of product, service, channel or other means. The usage levels and the positive experiences confirmed by those who use our innovative solutions indicate that we are on the right path.

Hand in hand with providing innovative solutions to our clients we are aiming to build inspiring working environment for our employees even though it´s a long-run activity. We support and reward innovative thinking, where we don't punish for mistakes. I believe that such ecosystem together with strong leadership and talent will be a strong differentiator for Tatra banka.

Winning in a multi-channel world

By Ryszard Tomaszewski, CEO

***Tesco Polska**, Poland*

Upcoming challenges

Retail is always the last sector to be affected by economic slowdown, and the last to recover once it is over. The challenge for retailers is to have the right offer for customers in a post-crisis era. We know shoppers' habits have changed, as they are now looking for value for money more than ever. Strong own label, competitive prices and convenient shopping are the right answers to this challenge.

The drivers of growth

The example of Tesco Polska proves that e-commerce is and will continue to be one of the key drivers of sales growth. 90% of our online customers have never shopped at a physical Tesco store. This means we can reach new customers also without building a store network.

Industry trends

Retail is always about understanding and meeting customers' needs. Today's customers combine channels, ordering products online and collecting them at store. Alternatively, they might browse and try products such as electronics in-store, and then order them on Allegro or eBay. We live in a multi-channel era of retail. Retailers with the right offer for the multichannel customer will be the winners. The other main trend is personalisation, or giving our customers tailored offers. We have been offering this to our customers in Poland for five years with the Clubcard scheme, which is now actively used by more than 3 million customers.

Fuelling innovation

Being innovative means being able to respond customers' needs as soon as they emerge. And this requires investment in products and services, as well as in processes and customer communication. I believe that retailers, with sales of own label products growing, will now focus more on product innovation. It is Tesco where customers shop and take their shopping decisions. Nobody knows customers' needs better. That is why, in co-operation with suppliers, we continuously improve our products and introduce new ones. In 2013, we introduced 450 new lines, and the Tesco brand is now one quarter of our overall sales.

In 2013 we launched the "Listen&Fix" scheme to enable employees to improve their workplace. 3,000 colleagues voted or submitted their ideas online, which were grouped in 17 major areas. In the second half of the year we started implementing the changes requested by colleagues. Future plans include continuing the project, focusing even more on innovative ideas.

On track for legislative reform?

By Maxim Blank, First Deputy General Director

***Ukrzaliznytsia**, Ukraine*

Upcoming challenges

The current situation in eastern Ukraine is a major destabilising factor for the rail industry. Ukrzaliznytsia is doing everything it can to resolve disruptions and create new routes, but it is not easy to operate under current conditions. The largest fall in passenger traffic (by 64.7%) has been in interstate services. The annexation of Crimea and the worsening situation across Ukraine's eastern regions have caused several services to Donetsk, Lugansk and Crimea to be cancelled or have their routes shortened, resulting in a 41.1% fall in passenger traffic across Ukraine.

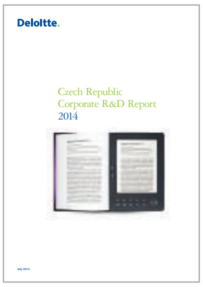
Industry trends

Unprofitable passenger rail transport is a significant issue for the industry. It continues to worsen each year – for example, the loss of passenger rail services for six months of 2014 resulted in a UAH 4 bn loss. Other major difficulties are arising from a significant increase in foreign exchange rates, which have led to a nearly UAH 6 bn rise in the value of debt and a lack of state funding for capital investment. This is why we plan to implement reforms, including legislative change) in both Ukrzaliznytsia and the rail industry. This will lay the foundations for us to start operating as a business enterprise, which will allow us to attract investment for selected structural units, solve a number of current issues and respond rapidly to new challenges.

Drivers of growth

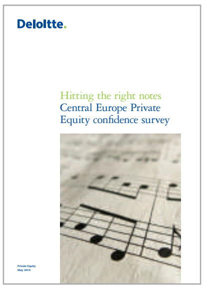
According to our estimates, such reform would increase annual investment from UAH 7.5 bn to UAH 26.5 bn. This is a substantial increase in operating funds, which would be used to modernise Ukraine's rail infrastructure.
Based on Ukrzaliznytsia's approved financial model for 2014-2018, provided we have a stable political and socio-economic situation, we plan to increase rail freight by 0.5-1%, grow our total revenues from rail transportation and auxiliary services by 4-6%each year, increase average monthly wages by 10% and implement a capital investment programme worth UAH 4 bn.

Thought leadership



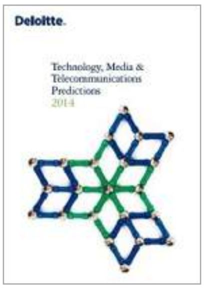
Central Europe Corporate R&D Report

In 2014 the survey was successfully carried out among 330 Central European businesses in ten countries in the region – Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania and Slovakia. It brought many interesting insights concerning the approach of local businesses towards research and development.



Hitting the right notes: Central Europe Private Equity confidence survey May 2014

Deloitte is pleased to share with you the latest edition of Central Europe Private Equity confidence survey which has tracked the changing sentiments of Central Europe's investment community every six months since March 2003. The results are based on responses of private equity professionals in Central European countries.towards



Technology, Media & Telecommunications Predictions 2014

TMT Predictions are Deloitte's view of the key developments over the next 12-18 months that are likely to have significant medium- to long-term impacts for companies in TMT and other industries. 2014 marks the 13th annual edition.

Deloitte Review

Deloitte Review is a semi-annual Deloitte University Press publication showcasing a selection of articles including original research and viewpoints. This issue of Deloitte Review suggests that Gen Y takes a more pragmatic view of car ownership, it also explores analytics and predicting behavior; new players in the intellectual property arena; the economics of additive manufacturing, and the persistent problem of labor abuse in supply chains.

Global Economic Outlook Q3 2014

The quarterly Global Economic Outlook offers insights from Deloitte economists around the world on trends and events shaping the marketplace. This edition offers timely insights from Deloitte Research economists about the United States, the Eurozone, China, Japan, India, Russia, Brazil, and the United Kingdom.

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