

LEADS MARCH 2014

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201402001 Impact Developer & Contractor Plans Capital Increase

Romanian real estate firm Impact Developer & Contractor (IMP) is planning to raise RON 80 mln from shareholders to fund projects.

The proposal will be discussed at an AGM scheduled for March 6, the company announced.

The capital increase would take place in two stages, with the first targeting only existing shareholders, while the second - both, existing shareholders and other investors.

The company has already obtained shareholder approval to launch a RON 100 mln five-year bond issue. Characteristics of the bond issue were approved in December. The bonds would offer an interest rate of 7.0 pct per annum and be convertible into shares.

Impact recorded a turnover of RON 26.1 mln (EUR 5.9 mln) in 2013, 19 pct up from 2012. Losses were down by 38 pct, to RON 46.7 mln (EUR 10.6 mln), according to preliminary financial results submitted to the Bucharest Stock Exchange.

201402002 Two-Thirds of Ibiza Sol Apartments Remain Unsold

Ibiza Sol residential estate, located in the Bucharest Pipera area, has 200 unsold apartments out of the total 300 units five years after its completion, according to Euro Insol, the project receiver. Ibiza Sol residential estate entered insolvency proceedings at the end 2011.

In 2013 Euro Insol sold 46 apartments and leased another 43 units at an average rental rate of EUR 630 per month. Prices in the Ibiza Sol project now start from EUR 109,000 for an 84 sq. m three-room apartment with a 42 sq. m attic.

Overall, the project generated EUR 4.9 mln in revenue last year.

The receiver has projected revenues of at least EUR 6.0 mln for 2014. On the other hand, lenders and the project manager do not exclude the possibility of signing a block deal for the remaining housing at a price of around EUR 27 mln.

The project, developed by Spanish Ibiza in autumn 2008, involves a EUR 60 mln investment, with Alpha Bank and Raiffeisenbank being the lenders, Ziarul Financiar reports.

201402003 INR Real Estate Management Declared Bankrupt

Silver Mountain luxury residential complex in Poiana Brasov has gone bankrupt at the request of BCR Bank, holding 99 pct of the debt of the project owner, INR Management Real Estate, according to the list of creditors.

INR Real Estate Management became insolvent in August last year. BCR financed the Silver Mountain development with a loan of about EUR 85 mln, money that will no longer be fully recovered given that the project is now valued at around EUR 50 mln.

A month before the onset of insolvency, INR Real Estate Management was purchased by Asian UNI-ASIA Holding, represented in Eastern Europe by Bogdan Gheorghiu. The Asian firm was willing to continue the investment.

"An auction to sell INR Real Estate Management will be organized in March. Besides the Silver Mountain project, estimated at EUR 50 mln, two land plots, in Snagov and Pitesti, valued at EUR 3.0 mln, will be exposed for sale," Remus Borza, managing partner of Euro INSOL, told Capital.

201402004 Iulius Group Records EUR 65 mln in Revenue in 2013

The four Iulius Mall shopping centers and Palas Iasi complex, owned by Romanian businessman Iulian Dascalu, generated EUR 64.56 mln in revenue last year, 16 pct higher than in 2012, according to data submitted by Iulius Group, Mediafax reports on Tuesday.

In 2012, the total turnover of Iulius Mall shopping centers and Palas Iasi complex was EUR 55.6 mln.

The four malls in Timisoara, Cluj, Iasi, and Suceava generated revenue of EUR 47.85 mln, by 4.6 pct more than in 2012, when the result was EUR 45.73 mln.

The turnover of the shopping center within Palas Iasi complex was EUR 13.13 mln, while the office component recorded EUR 3.58 mln in revenue.

Iulius Group also said it will complete an A-class office building in Cluj-Napoca, near its Iulius Mall in the city, in the second half of 2014. The building will have a GLA of 10,000 sq. m.

201402005 NEPI Romanian Portfolio Reaches EUR 900 mln in 2013

South African investment fund New Europe Property Investments (NEPI) increased its assets from EUR 624 mln in 2013, to EUR 1.04 bln amid purchases made, including Lakeview offices in Bucharest and City Park Mall in Constanta, and completed developments, such as Galati Shopping City, thus becoming the largest investor in the Romanian real estate market.

Approximately 90 pct (EUR 920 mln) of the NEPI assets are located in Romania. The fund also has a number of investments in Slovakia and Germany, but its Romanian portfolio will continue to grow, given the fund's development projects involving investments of EUR 386 mln, including two shopping centers in Bucharest (Mega Mall and Vulcan) and an office center project (The Office) in Cluj-Napoca.

NEPI's adjusted net asset value rose by 28.5 pct in 2013. The total number of shareholders increased from 3,479 at the end of 2012 to 6,011 at the end of 2013.

The group achieved distributable earnings of EUR 13.92 per share for the second half, which combined with the EUR 11.87 per share for the first half of the financial year, represents a 23.5 pct improvement in recurring income per share when compared to 2012.

Throughout the 2013 FY NEPI raised EUR 253 mln via the issue of new ordinary shares, EUR 84 mln in new third-party debt facilities and EUR 63 mln in extended secured third-party debt facilities. On December 31 2013 the group's gearing ratio (interest bearing debt less cash divided by investment property and listed property shares) decreased to 22.5 pct, compared with 25 pct at December 31, 2012. The average interest rate (including hedging costs) of the debt was approximately 4.6 pct during the financial year.

NEPI ended the year with EUR 117 mln in cash and listed property shares, and will continue to hold relatively large cash and liquid resources to fund its development pipeline and take advantage of new investment opportunities, the company announced.

In addition to cash balances, the group has an undrawn, secured revolving facility with UniCredit Tiriac Bank for EUR 9.5 mln. Further secured debt facilities will be considered during the current financial year.

"We have had plans in place for years and managed to do well in Romania where our competition fell over, especially during the recession," NEPI CEO Martin Slabbert said.

201402006 Emerson to Receive EUR 1.6 mln in State Aid in Romania

The Romanian subsidiary of the U.S.-based Emerson will receive an exemption from local taxes in the form of de minimis aid and state aid, totaling EUR 1.6 mln, Cluj-Napoca Mayor Emil Boc said at a Wednesday press conference.

Emil Boc explained that this amount will be for the next five years and during that time Emerson has to build two new production halls and an administrative building with multiple floors in the Tetarom II industrial park in Cluj.

"In turn, Emerson has committed to increase the number of employees from 1,800 to 3,400 by 2016," said Emil Boc.

Emerson opened its first Romania manufacturing facility, in Tetarom II Industrial Park, in 2008. At that time, the contract with Emerson was considered the largest one in Cluj County, with an initial investment of EUR 75 mln.

Emerson Romania currently operates several production facilities in the industrial park.

201402007 Carrefour Romania Borrows RON 60 mln

Carrefour Romania's subsidiary Artima, operating 'Market' supermarkets and three integrated 'Express' convenience stores in Bucharest, has entered into a RON 60 mln (EUR 13.5 mln) credit agreement with ING Bank NV Amsterdam.

"This year we will invest in launching new multi-format stores," Andreea Mihai, marketing manager at Carrefour Romania, said, without elaborating on details.

Since the beginning of the year, the retailer has opened three Express franchise stores. In 2013, Carrefour relied on network expansion, with 38 Express new units, and 13 Market supermarkets. The company also launched a hypermarket and an online shop in 2013.

Carrefour Romania entered the supermarket segment in 2007 with the acquisition of Artima chain from Enterprise Investors investment fund for EUR 55 mln. According to data from the Ministry of Finance in 2012 Artima had a RON 700 mln (EUR 157 mln) turnover, up 34 pct compared to 2011, and net profit of RON 355,900 (about EUR 80,000), by 51 pct less.

Carrefour currently operates four store formats in Romania, with a total of 163 units, including 25 hypermarkets, 78 Carrefour Market supermarkets, 59 Express convenience stores and an online store.

The retailer had total sales of EUR 986 mln, excluding VAT, in 2012, up 3.0 pct compared to 2011 and a profit of EUR 23 mln.

201402008 New Shopping Mall Project Planned in Romania

A new large shopping and entertainment center development project is in the process of being coordinated in Romania. On December 10, NEPI Seven Business Management, a subsidiary of South African New Europe Property Investments (NEPI) filed a request with Timisoara City Hall to obtain an urbanism certificate for construction of a multifunctional shopping center, called Dermatina, at 100-104-106-110, Sagului Street in the city.

At the same time, in July 2013 Romanian real estate developer Bega Group, owned by Emil and Marius Cristescu, decided to put the former 206,000 sq. m Dermatina factory site at Sagului Street in Timisoara for sale.

"There are now several opportunities available and we are negotiating with NEPI about the best option for both parties," Marius Cristescu, president of Bega Group, told local media Ziua de Vest.

In May 2012, Bega Group representatives announced intentions to develop a EUR 50 mln shopping project on the Dermatina factory site.

Emil and Marius Cristescu own Bega department store in Timisoara, a city with only one shopping mall, developed by Iasi based businessman Iulian Dascalu.

201402009 Baneasa Shopping City Tenants Generate EUR 200 mln Sales in 2013

Tenants at the Bucharest Baneasa Shopping City mall, controlled by businessmen Gabriel Popoviciu and Radu Dimofte through Baneasa Developments, had cumulative sales of EUR 200 mln last year, up by 5.0 pct compared to the previous year, George Argentopoulos, CEO of Baneasa Developments, developer and operator of the shopping center, told Ziarul Financiar.

The figure includes only the turnover of tenants in Baneasa Shopping City and Feeria Gallery, let to retailers such as Peek & Cloppenburg, Zara and H & M, and does not include sales made by large retailers within the Baneasa platform, such as IKEA (of approximately EUR 100 mln), Carrefour (about EUR 100 mln), and Mobexpert.

According to last year's reports, Baneasa Shopping City ended 2012 with a EUR 38.8 mln business, up 16.5 pct from 2011, while doubling profits, from EUR 5.2 mln, to EUR 11.8 mln.

"The mall is full," said Argentopoulos.

"Given the existing demand, I believe the project can support an additional 20,000 sq. m of retail and 3,000 sq. m of entertainment space," said Argentopoulos.

In October 2013 George Argentopoulos unveiled plans to substantially increase the project's leisure and entertainment component.

201402010 Leroy Merlin Buys Land for Second Bucharest Store

French DIY retailer Leroy Merlin has bought a 4.3 ha land plot in the south of Bucharest. The company plans to start construction of a hypermarket on the purchased site in spring. Investments in the store opening are estimated at EUR 15 mln.

The lot is located near the intersection of Alexandriei Road and the ring road, across Bragadiru and about three km from Cora Alexandriei hypermarket.

Leroy Merlin opened its first Romania store, in Colosseum Retail Park in northern Bucharest in autumn 2011, ZF.ro reports.

201402011 Bucharest Historic Building to Undergo Extensive Renovation

The owner of an abandoned historic hotel building in the Romanian capital has initiated procedures for obtaining permits to renovate the property.

The former Concordia Hotel in Bucharest, built 155 years ago, is now a ruin. According to a recently published article in RISE Project, the property owner, Ro Naturstein, has initiated procedures for obtaining permits to refurbish and re-functionalize the historic property.

The information was confirmed by Bucharest Mayor Sorin Oprescu.

"The new owner of the building has already contracted an architecture firm and addressed the Planning Department of the Bucharest Municipality for assistance in obtaining necessary permits," Sorin Oprescu said to B365.ro.

Until recently the building was owned by an Italian family from Novara (Piedmont) and a Romanian individual associated with criminal cases. They bought the building in 2003 for USD 300,000.

At the end of 2013 the building became property of a single owner, a Romanian individual, whose name was not disclosed.

201402012 Farmexim completes EUR 16 mln logistics center near Bucharest

Romania's Farmexim, the drugs importer and distributor, has opened this January a new logistics center in Balotesti locality, following a EUR 16 million investment.

The center spans 15,000 sqm and has a storage capacity of over 6,000 pallets, which can accommodate over 11,000 different articles.

"In 2014 we aim to continue the development pace registered up to now and increase our turnover by at least 10 percent in the retail segment," said Ovidiu Buluc, Farmexim's general manager.

The distributor, which is part of the Farmexim group, reported a 17 percent gain in the gross turnover to around EUR 340 million last year, while profits expanded by 50 percent.

The group also includes pharmacy chains Help Net and beauty products importer and distributor Green Net.

Farmexim has a portfolio of over 5,500 products and has partnerships with over 250 drugs producers in Romania and abroad. Its client portfolio comprises 3,500 pharmacies and over 400 hospitals.

201402013 Doncafe producer pays EUR 20mln for Amigo brand

Strauss Coffee, owner the Doncafe line, will buy Amigo brand of instant coffee in a deal worth EUR 20mln, according to the Israeli company. Amigo is sold predominantly in Romania and is produced by Cia Iguacu de Cafe Soluvel from Brasil.

The Competition Council needs to approve the deal.

Amigo first entered the Romanian market in 1983 and had sales of USD 12,5mln in 2012, with a 1.8% market share. Amigo's sole importer is Panfoods Romania, subsidiary of Panfoods Co. Ltd based in UK.

The brasilian produced coffee is distributed through the Panfoods unit in Vacaresti, Dambovit County, very close to Targoviste.

Panfoods Romania reported a turnover of EUR 11.8 mln in 2012 with a net profit of RON 1.4 mln, constituting a 67% drop compared to the year before.

Strauss Coffee, present in Romania since 1994, is the biggest coffee producer on the Romanian Market, with a market share of 22% for Doncafe in 2012. Strauss Romania reported a turnover of EUR 53.3mln in 2012, a 10% increase compared to 2011.

“This buy will further strengthen Strauss Coffee's position on the Romanian market and also other markets in Eastern and Central Europe. Strauss Coffee, through Strauss Romania, is intent on developing the Amigo brand in the region”, according to Strauss Coffee interim director, Tomer Harpaz.

Strauss Romania's general manager is Marius Melesteu, also responsible for coordinating operations in Serbia, Bulgaria, Moldova, Montenegro, Bosnia Hertzegovina, Albania and Macedonia.

201402014 CBRE: IT&C companies lease over 100,000 sqm of office space in Bucharest in 2013

Almost 300,000 sqm of office spaces were leased last year in Bucharest, marking the highest volume of transactions ever recorded in the capital, according to CBRE.

Companies from IT&C were the most active players, leasing over 100,000 sqm. “IT&C tenants signed some of the biggest transactions ever recorded in Bucharest in 2013: the

biggest renewal contract for a surface of 26,000 sqm for a lease length of 10 years, the biggest pre-lease for this year and several expansions for already present companies,” said CBRE representatives.

Renewals and renegotiations are expected to continue at a stable pace in 2014 also, however, the biggest change should come from pre-leasing, said Razvan Iorgu, managing director CBRE Romania. “With some large accounts already active since early start of the year, a number of pre-leases should be signed. With rents at close to the bottom-end, tenants can now get deals which will not be possible in the future. Our estimation is that at end of 2014, having in mind the estimated levels of new stock (124,000 sq m) and demand, the vacancy rate should go down from current 15.1 percent to under 13 percent,” he explained.

There are considerable differences in vacancy levels between the various sub-markets. The lowest level (under 10 percent) was reported in the west and central business district. At the other end of the spectrum, the north part of the city and Pipera sub-markets reached and even went beyond a 20 percent vacancy level. “It is worth mentioning that vacancy rate in the north sub-market has gone up, now comparable to the vacancy for Pipera area. These differences appear also by property type. In general, class A properties have a lower vacancy rate (10.7 percent) and thus less pressure to decrease headline and net effective rents. Class B properties, especially in non-metro areas, are confronted with less interest, more vacant space (17.8 percent) and a non-stable occupier demand, which is reflected in lower headline rents,” said CBRE representatives.

Prime headline rent remained stable over the past several quarters (EUR 18/sqm/month) and prime yield also stable at 8.25 percent. “Only in the presence of pre-leasing activity and limited amount of new stock we might see an increase of headline rent by maximum 2 – 2.25 percent by end of the year. Certain submarkets will continue to be a tenant’s market, translated into highly attractive financial packages,” they added.

CBRE expects 124,000 sqm of new office space to be delivered in 2014 – out of which 70 percent “is built on a speculative basis”. Some of the projects that will be delivered there are Skanska’s Green Court Bucharest, AFI Park II and III by AFI Europe and Hermes BC by Atenor Group. Only three other projects are so far scheduled for 2015, totalling 31,000 sqm. Should pre-leasing activity go up, several other properties, already in plan, might start construction, said CBRE.

201402015 MOL Romania adds 4 filling stations to its retail network

MOL Romania has expanded its nation-wide retail network to 147 filling stations after the company opened four new units in Marghita (Bihor County), Eforie (Constanta County), Ilia (Hunedoara County) and Morareni (Mures County).

“We invested more than 1.3 million Euros in total in the 4 recently opened filling stations, which are located on major traffic routes. The enlargement of our retail network is a key

element of our medium to long term growth strategy and allows us to further strengthen our top quality supply toward our clients and partners”, stated Kinga Daradics, MOL Romania CEO and Country Chairman.

The units in Marghita (Bihor) and Morareni (Mures) function under the new operating platform where our partner owns the filling station, the fuel and the shop merchandise, while MOL provides the brand, continuous supply of high quality fuel products and controls the operation

201402016 Germany's Passavant-Roediger to deliver water treatment plants in Romania

German based engineering firm Passavant-Roediger has won a trio of orders to build wastewater plants across Europe, including Romania, as part of a EUR 33 million contract.

Passavant-Roediger, a subsidiary of UAE multinational Drake & Scull International, will undertake work in Romania, Bosnia and Herzegovina and Turkey.

Under the terms of the Romanian agreement, Passavant-Roediger will handle the project's civil, mechanical, electrical and supervisory control and data acquisition works.

It is also responsible for testing and commissioning the rehabilitation and extension of waste water treatment plants in Sinaia and Breaza and drinking water treatment plants in Comarnic and Sinaia.

The company will also deliver waste water treatment plants in the Romanian cities of Campina and Plopeni.

According to UAE news outlet The National, Passavant's contract in Bosnia and Herzegovina will involve the rehabilitation of the Sarajevo waste water treatment plant at Butila to increase its capacity to 170,000 cubic metres of waste water per day.

Work on the project is expected to be completed by 2016.

In Turkey its contract calls for engineering, procurement and construction works for a waste water treatment plant and waste water collector mains in Adiyaman.

201402017 German boarding school organizes recruiting event in Romania this February

Representatives of the German boarding school Salem Castle School, considered to be one of the most elite schools in Europe, will come to Romania this February to meet students interested in studying at this institution.

School representatives will be present in Cluj on February 20 and in Bucharest on February 22.

During these meetings, Romanian students may find out information about admission, costs and the conditions for obtaining a scholarship.

International students from over 28 countries study at Salem Castle School, where they are taught in English and German.

At the end of their studies, Romanian students can obtain an International Baccalaureate (IB) degree.

These meetings are organized by the IEC – International Education Center Romania in collaboration with partner schools under the 2014 edition of the EEF – European Education Fair.

201402018 South African gold maker Rand Refinery to enter Romanian market

South African gold supplier Rand Refinery will enter the Romanian market, it has announced. More details about its planned market entry will follow in a press conference on Monday, February 10, according to Mediafax newswire.

The company, created in 1920 in South Africa, has refined over 50,000 tonnes of pure gold, or 30 percent of the quantity of gold refined in the world so far.

The only company authorized to mint the South African coin Kruggerrand, Rand Refinery produces cast bars and minted bars, coins, medals, semi-finished metal products for the jewelry industry, and supplies support, vault and logistics services, among others. It is yet uncertain what sort of products and services will the company offer on the Romanian market.

The company is owned by AngloGold Ashanti, with 42 percent of the shares, and Sibanye Gold, with 33 percent.

201402019 Viacon Technologies completes EUR 3 mln investment in central Romania

Viacon Technologies Romania, part of Safe Road Group, a supplier of road safety and other infrastructure solutions, has finished the EUR 3 million investment in a factory of metal pillars for road lightning.

The new unit has an area of some 800 sqm and is located in the Tractorul industrial area in Brasov, Romania.

“There was a group meeting with the Executive Board last summer, and a decision was taken to relocate the manufacturing operations of metal pillars from UK to Romania,” Razvan

Ionescu, general manager and shareholder of Viacon Technologies told local daily Wall-street.ro.

For this year, the company has budgeted investments of around EUR 2.5 million, which will mainly cover relocations of some operations carried out by the group on the Asian markets.

According to Razvan Ionescu, Viacon Technologies plans to open two new production lines this year, with total investments of some EUR 2.5 million.

He also added that the metal pillars market in Romania amounted to over 15,000 units, with a value of some EUR 2 million.

Viacon's Polish subsidiary is the main shareholder of Viacon Technologies, owning a 60 percent share package, while the rest of 40 percent is owned by the company's general manager, Razvan Ionescu.

201401020 Bulgarians want to create joint vegetable markets near bridges to Romania

A Romanian – Bulgarian vegetable market could be set up near the Danube bridge border crossing point between the two countries, after the Bulgarian authorities proposed the project. This would allow farmers on both sides of the Danube to sell their produce together.

Earlier in January, Bulgarian Deputy Agriculture Minister Yavor Gechev said authorities were planing to such markets near both of the bridges connecting Romania and Bulgaria across the Danube. One would be located in Bulgaria, and the other one, in Romania.

The projects are however still in early stages, with location and funding sources to be established by the end of 2014.

The new bridge connecting Romania and Bulgaria across the Danube opened in June 2013. Romania and Bulgaria signed off the project for a second bridge over the Danube in 2000, but work was delayed due to a lack of funds. Construction finally began in 2007 and was originally scheduled for completion in 2010. Since then, several finalization dates have been and gone. The 1,791-meter Calafat – Vidin bridge has two traffic lanes in each direction, a railway line, two sidewalks and a bicycle track.

The total cost of the project has reached EUR 300 million, according to local media estimates. Romania has contributed a little over EUR 70 million, with a fifty-fifty split of government money and EU pre-accession funds.

The bridge was built by Spanish company FCC, which also built the Basarab overpass in the Romanian capital Bucharest, in partnership with Astaldi.

201402021 Rompetrol puts aside USD 100 mln for Romanian investments in 2014, changes management structure

Romanian oil and gas company Rompetrol, owned by Kazakh operator KazMunaiGaz, has budgeted USD 100 million for investments in Romania this year, with 10 percent of the funds to be directed to the Petromidia refinery. The rest will be invested in its chain of gas stations, according to Catalin Dumitru, vice-president on retail and trading.

Rompetrol will open 15 new gas stations and will re-brand 60 units, with the development focus around Bucharest, as well as in the north – western and south – western parts of Romania.

The group will also implement a new operating model, with a new managerial structure. The first line of management is represented by Senior Vice-President Azamat Zhangulov, who will continue to coordinate all corporate functions (corporate governance, support services) and financial functions, and Vice-President Catalin Dumitru, who is responsible for coordinating all operational activities, supply chain, trading, refining and petrochemicals, marketing and retail.

“It was a very important decision in terms of reaching the company’s overall strategic goals to have the new operational model in place. The appointment of Mr. Catalin Dumitru reflects the human resources policy of the company, namely, to support and to promote the local specialists,” said Zhanat Tussupbekov, CEO of The Rompetrol Group.

Dumitru has run the Dyneff company in the group for the last six years and has 12 years of experience in the oil and gas field.

The team of managers under direct supervision of Catalin Dumitru are: Mihaela Ungar, Chief Marketing & Retail Officer, Alexandru Nicolcioiu, Chief Production Officer for refining and petrochemicals and Yerlan Akkenzhenov, Chief Trading and Supply Chain Officer.

201402022 Nordic retailer JYSK plans chain of 100 shops in Romania

Danish furniture retailer JYSK plans to expand to 100 stores in Romania on the medium term, from the existing 14 units, according to Mediafax newswire.

After a slight growth in its Romanian business last year and with hopes to improve the turnover further in the 2013/2014 financial year, JYSK however expects consumer confidence to continue to be low, as it cannot foresee a significant improvement in macro – economic indicators, according to Alexandru Bratu, country manager JYSK Romania and Bulgaria.

Within the group, 120 new stores will be open this year, but there is no fixed number of openings scheduled for Romania. However on the medium term, JYSK Nordic plans to have 100 stores in Romania and 35 in Bulgaria. In Romania, it runs shops in Bucharest – one unit

within the Militari Shopping center, and in several regional cities, including Suceava, Constanta, Pitesti, Braila, among others.

JYSK, founded in 1979 and owned by Danish entrepreneur Lars Larsen, has 2,100 shops in 36 countries, where it has 18,500 employees. In the 2012/2013 financial year, it posted sales of EUR 2.5 billion.

Lars Larsen who is also the owner of the furniture retail chains Bolia.com, IDEmøbler and ILVA – as well as a number of other companies. The turnover of Lars Larsen Group is of EUR 2.9 billion.

201402023 Nokia sells Romanian subsidiary to another company in the group

Finnish mobile phone producer Nokia Corporation has sold its Romanian subsidiary to another company within the Nokia group, for EUR 18.8 million. The buyer was Nokia Finland Oy, and is part of preparing the mobile phone division for the takeover by Microsoft, approved in November 2013, according to Mediafax newswire.

Nokia agreed to sell its mobile phone division to Microsoft in November 2013 for some EUR 5.4 billion.

Nokia started producing mobile phone in Romania, at Jucu, in 2008, following investments of EUR 60 million. But the Finnish company decided to shut down the local factory three years later, moving production to Vietnam. A year later, Nokia Romania was reporting a turnover of just around EUR 5.7 million, after EUR 911 million in 2011.

In 2013, Nokia's full year net sales 2013 were EUR 12.7 billion, down 17 percent compared to full year 2012.

201402024 Agrana buys two sugar refinery plants in Romania

Sugar producer Agrana Zucker GmbH has agreed to buy two Romanian production units in Urziceni and Liesti from producer Lemarco.

“Agrana's intention here is not only to increase its sugar beet production but also its sugar refining activities and, therefore, to consolidate its presence in the South-East European market,” says Johann Marihart, the Agrana CEO.

This will increase Agrana's presence in Romania, from its two existing sugar refineries in Buzau and Roman. The company has not disclosed the sale price, and the deal is pending the green light from anti-trust authorities.

In Romania, Agrana produces and sells sugar under the brands Margaritar Zahar and Coronita.

With a volume of more than 500,000 tonnes of sugar, the Romanian sugar market is supplied to an extent of only 20 percent with sugar from sugar beet; the remaining 80 percent is with sugar made from the refining of raw sugar cane, according to Agrana.

Lemarco, controlled by American shareholders, and Agrana are the largest sugar producers in Romania. Lemarco, which started its activity in 1993, acquired Marr Sugar and its Uzriceni factory in 2009.

With around 8,500 staff based at 55 production sites in 26 countries, Agrana generates global revenues of around EUR 3 billion.

201402025 Polish Ipopema Securities gets ready to enter Romanian market, founder attends Bucharest event

Polish stock brokerage firm Ipopema Securities, the second largest broker on the Warsaw Stock Exchange, could announce its market entry in Romania soon, according to Romania daily Ziarul Financiar.

The firm's president and founder Jacek Lewan-dowski attended a local gala organized by the Bucharest Stock Exchange in Bucharest in Monday evening (February 3). The company is already working with clients which are active on the Romanian market.

With an 8.88 percent share, Ipopema Securities was ranked second in terms of share trading on the Warsaw Stock Exchange in 2013. The group manages 95 investment funds with assets of around EUR 4.3 billion, which makes it one of the largest fund managers in Poland. Its equity analyst Piotr Zielonka was ranked the best equity analyst in Poland for 2013.

Among the firm's recent projects was working as global coordinator, sole book runner and offering agent in the capital increase of real estate developer GTC, which is also active in Romania. Among its clients are companies such as Alior Bank, Polnord, and Plaza Centers. The latter is also active in Romania.

The company is also active on the Budapest Stock Exchange. Jacek Lewan-dowski founded Ipopema in 2003, and has been the president of the board since 2005.

In Romania, the largest broker on the Bucharest Stock Exchange on the retail segment is Broker Cluj.

201402026 Romania plans to introduce tax exemption for reinvested profit this year

Romania's Government plans to exempt taxes for reinvested profit starting July 1 this year, and hopes to present all required measures during the International Monetary Fund's next visit to Romania in April.

“With the exemption from tax for the reinvested profit we lose 16 percent, but we win 24 percent in VAT for the products that are bought,” explained Prime Minister Victor Ponta.

He was however elusive when it came to the drop in social insurances announced for the second half of 2014, saying it is an economic stimulation package. “the idea is to make a package after July 1. One thing has been established, to come up with all the measures and implement them in the second quarter,” the PM added.

The Association of Business People in Romania has asked the Government to support tax exemption for reinvested profit and a cut in salary taxes in its negotiations with the IMF.

201402027 Mixed-use Complex to Appear around Bucharest Historic Building

A multifunctional complex, including luxury apartments and retail premises, is planned to be developed on the basis of a historic building in Bucharest.

The Romanian Ministry of Culture has given the green light for the Stirbei Palace project on Calea Victoriei in the capital, providing for building a 34-m high structure, at only a few meters from the historic palace, built in 1835.

In addition, the project includes construction of a shopping center with five floors plus four levels of underground parking, according to documents obtained by HotNews.ro.

The project has previously been criticized by architects and the civil society, as it is considered too large for the area.

The Ministry of Culture gave the green light for the Stirbey Palace restoration in July 2013, while in October it gave the green light for the real estate part behind the palace.

The Bucharest General Council is expected to give the final approval for the project, which is owned by Alexandru Popescu.

The Popescu family bought the Stirbei Palace building in 2005 for approximately EUR 11 mln.

201402028 German Investors to Build Industrial Park, Logistics Center in Romania

German investors are interested in establishing an industrial park in Romania. Discussions on the proposed project took place in mid-January at Lugoj City Hall.

A consulting firm representing the investors said they would like to build an industrial park on a land plot at Timisorii Street, owned by the municipality. Specifically, the park would be raised out of the city, near the entrance to the town of Costeiu.

Work will start as soon as negotiations regarding the land and its price are finalized.

As well, a German supermarket chain wants to build a logistics center in Lugoj, also on Timisorii Street. Investment in the center, which will create 200 jobs, is estimated at over USD 14 mln.

According to local media Redesteptarea.ro, it is about Lidl, which wants to build a regional distribution center on a 14 ha site at the exit from Lugoj to Timisoara, with access to A1 Highway.

Lugoj Mayor Francisc Boldea earlier said that the distribution center will be able to serve 100 trucks per day.

201402029 Praktiker Looking for Buyers for Romania Operations

German DIY retailer Praktiker is looking for buyers for its operations in Romania, where it has 27 stores, which generated EUR 142 mln in sales revenue in 2012, Mediafax reports.

"A Romanian Insolvency house has been appointed to dispose of the Romanian Praktiker business, which has a big unit on the site. Negotiations are ongoing for a restructuring of their lease agreement and recovery of the outstanding rental and service charge debts," European Convergence Development Company (ECDC), one of the shareholders of Era Shopping Center Iasi retail park, said in a report.

Praktiker representatives have not commented on the information.

The German group has faced difficulties in recent years. At the end of 2011 Praktiker said it would close stores in Germany, exit the Albanian market and assess international operations.

Last year, Praktiker AG, the parent company of the German group, became insolvent.

With a chain of 27 stores in Romania, Praktiker is the second largest DIY retailer in the country, with a sales area of 184,300 sq. m. Most stores opened between 2005 and 2008, during the real estate boom. Praktiker stores operate in leased premises, where the average rental rate is EUR 7.0 – 9.0 per sq. m, meaning that the company pays rent of between EUR 15-20 mln a year.

Praktiker Romania competes with retailers such as Ambient, bauMax, Dedeman, Hornbach, Mr. Bricolage, OBI, Kingfisher and Leroy Merlin.

201402030 New Industrial Park Project Gets Green Light in Romania

The Romanian government has given the green light to Slatina City Hall to establish an industrial park on the outskirts of the city.

Earlier this week, the Official Gazette published a document giving the green light to establishing Slatina Industrial Park on the former DC 89 site (32 ha) in Milcov, Ilt County.

"We got the title, and this was published in the Official Gazette on February 10, which means that, legally, the industrial park is now functional. We have 10 potential investors who have submitted letters of interest and requested to buy or lease certain areas of land. It is likely to auction the first parcels in the park in April," said Ciprian Chitoiu, CEO of SC Park Industrial SA Slatina.

The park is located near some of the most important companies in Slatina, i.e. Prysmian Cabluri si Sisteme SA, Pirelli Tires Romania, and TMK Artrom SA.

201402031 Bancpost Lends EUR 17 mln for Bucharest Office Project

Bancpost has provided EUR 17 mln in funding to finance work of transforming City Mall shopping center in Bucharest into an office building, to be called City Offices, according to a report released today by Globalworth investment fund, controlled by Greek businessman Ioannis Papalekas, the building owner.

Bancpost has granted two credit facilities to Globalworth Asset Managers, one in the amount of EUR 15.8 mln and another, of EUR 1.0 mln, for City Offices, and a EUR 8.0 mln loan for the acquisition of 'TAP' industrial park in Timisoara, which has not yet been spent.

City Mall shopping center went bankrupt in November 2010 due to debts of EUR 76 mln, with its main creditors including UniCredit Bank Austria AG, UniCredit Tiriac Bank and Bancpost. The property was sold in autumn 2011 to Star Imob, a firm controlled by Ioannis Papalekas, for EUR 17.3 mln.

The office space at City Offices building will total 20,000 sq. m. A small shopping arcade will be arranged on the ground floor, where Mega Image opened a supermarket last year.

In addition, Globalworth has obtained a EUR 3.4 mln loan from Piraeus Bank for Floreasca One residential project.

Globalworth was established early last year. In July it held an initial public offering on the AIM market of the London Stock Exchange, where it managed to attract EUR 53 mln.

Last year Globalworth Real Estate Investments recorded rental income of EUR 8.1 mln from its Romania properties, valued at EUR 121.3 mln.

Globalworth has several real estate projects in Bucharest, including Tower Center in Victoria Square, two blocks with 300 apartments - UpGround complex and three land plots in the north of the capital, where office buildings and homes will be built.

The annual report presented on Wednesday shows that assets under construction are valued at EUR 57.7 mln, while properties being refurbished - EUR 55.9 mln. Completed properties, mainly UpGround apartment buildings, are valued at EUR 7.7 mln, while City Offices is valued at EUR 55.9 mln.

The fund recorded a EUR 12.7 mln net profit last year. Operating profit was EUR 5.3 mln plus financial gains resulting from the revaluation of assets and acquisition of subsidiary projects.

201402032 Mixed-use Retail and Housing Project Planned in Romania

A two-level hypermarket and two 12-story apartment buildings are planned to be developed in the Romanian city of Arad.

Preparatory documentation for the issuance of an Urban Plan (PUZ) for the former Telecom Stadium site at 130, Radnei Street has been made available to the public by Arad City Hall.

The project belongs to Imovest Clean SA, a private firm in the portfolio of local businessman Alexandru Bercea, one of the largest real estate developers in the country. The project has been masterminded by Arad-based Pro Arhitectura.

Imovest Clean intends to develop two 12-story blocks (with a basement, ground, and 10 upper floors) and a two-story hypermarket. One of the blocks will be built alongside the railway line in the southern part of the site, and the second, just north of this. Much of the land that spans over 13,753 sq. m will be occupied by a two-story hypermarket. It will be raised from the Radnei Street side. The project provides parking and green areas.

The response to comments submitted by February 13 will be published on the website of the City Hall, Arad Online reports.

201402033 Talia Developments Plans Bucharest Office Development

SC Talia Developments wants to build a 12-story office building on Serban Voda Street in Bucharest, near Carol Park in the city.

The project was presented at a meeting of the Planning Commission of the City Hall to obtain a notice of opportunity. Committee architects argued that the new building, with a maximum height of 55 m, would overshadow the National Heroes Memorial in Carol Park and asked the project architect Bogdan Bogoescu to revise the design.

According to previous statements, SC Talia Developments is controlled by Spanish shareholders.

201402034 UBS Lends EUR 65 mln to Romania-Focused Real Estate Firm

Swiss bank UBS has agreed to open a EUR 65 mln credit line to a real estate investment and development firm active in Romania.

UBS will provide a EUR 65 mln short-term holding level bank debt facility to Globalworth Real Estate Investments. The arrangement of this facility is consistent with the Globalworth's stated plans to use debt financing to improve returns on investments, the company said in a statement to the London Stock Exchange.

Dimitris Raptis, Deputy CEO and CEO of Globalworth, said: "The granting of this facility by one of the world's largest financial institutions constitutes a milestone in the development of Globalworth's portfolio. This step underscores the management of Globalworth's belief in the future prospects of the company. "

William Gallagher, Co-Head of Special Situations and Emerging Markets Lending in EMEA at UBS, said "Through the provision of this debt facility, UBS is pleased to support Globalworth's development plans and to help it achieve its ambitions in the years to come."

201402035 West Prime Dezvoltare to Start Bucharest Housing Project

West Prime Dezvoltare, part of Spanish Gran Via group of companies, wants to build seven apartment buildings in the Bucharest Drumul Taberei area, with the first being almost complete, after an investment of EUR 4.2 mln.

In spring, West Prime Dezvoltare plans to start work on two more buildings, totaling about 170 apartments, as part of its Timisoara 58 residential complex, designed to include a total of seven blocks of flats on a 25,000 sq. m area.

The first block, totaling 84 flats, is 90 pct complete. Investment in the first phase is EUR 4.2 mln, not including the price of land."We have great confidence in this project and believe the time is very appropriate for the real estate market. After five years of decline, the situation is now stable and the trend is starting to change," said Rafaela Nebreda, managing partner of Imotec, appointed exclusive agent for the sale of apartments.

West Prime Dezvoltare expects to sell 10 to 15 homes per month in the first building, where a 50 sq. m two-bedroom apartment costs about EUR 44,000, excluding VAT. Many of the apartments on sale are likely to be purchased through the 'First Home' program.

The residential complex is located on the former Frigocom factory site. "We think it's a good time to buy homes, and we have achieved a quality project, adapted to market needs, at very good prices," said Antonela Comsa, CEO of West Prime Dezvoltare.

Gran Via owns the former Electrotehnica platform, opposite Plaza Romania Mall, as well as Tricodava, in Ghencea. In total, the company owns 90,000 sq. m of land, acquired in the 2007-2008 period. The company also owns a 60,000 sq. m site in Constanta, where it already raised the foundation for a 20-story building.

This year the company sold 6,500 sq. m out of the 4.0 ha platform opposite Plaza Romania, and plans to use the money raised for housing construction.

201402036 Schwarz Group to Launch Kaufland Chain in Serbia, Plans Romania Expansion

Germany's Schwarz Group, which has already secured land for the first Lidl discount stores in Serbia, is on the verge of entering the Serbian market with its Kaufland hypermarket chain.

Kaufland is in the process of establishing a Serbian company, Lebensmittel Zeitung reported on Thursday.

The publication also reported that Schwarz Group's Lidl subsidiary is already a bit further and apparently wants to open its first 15 Serbian stores in the current year.

Schwarz Group also plans to continue expanding its retail business in Romania, where Kaufland and Lidl stores generated a EUR 2.3 bln turnover in 2013, by EUR 300 mln more than in 2012, thus becoming the largest player in the local market before Carrefour, Metro and Auchan. Each of the three retail chains reached sales of around EUR 1.0 bln last year.

At the end of 2013, the group had 89 Kaufland hypermarkets, with sales of EUR 1.6 bln and 169 Lidl stores, with a turnover of EUR 700 mln. Schwarz Group intends to add a further 25 stores in 2014, including 14 Lidl units and 11 Kaufland hypermarkets.

Kaufland has invested EUR 130-170 mln annually since its market entry in Romania in 2005. Lidl entered the Romanian market following the acquisition of Plus Discount in 2011, according to the German-Romanian Chamber of Commerce and Industry.

In 2013 Schwarz Group secured USD 108.4 mln in funding from the International Finance Corporation (IFC) to expand in Bulgaria and Croatia, as well as to enter Serbia.

201402037 Romanian Retail Property to Change Owners

The owner of a retail property in Romania, leased to international retailers, is in the process of selling it to an unnamed wealthy family.

Cypriot investor Panico Panayi, owner of Colosseum shopping project in the Bucharest Chitila area through Nova Imobiliare company, is close to selling his Colosseum Retail Park, Romanian media Businesscover.ro reports.

With an area of about 53,000 sq. m, Colosseum Retail Park brings together stores of the French DIY retail chain Leroy Merlin (16,500 sq. m), Romanian electronics retailer Altex and French Carrefour (8,400 sq m), as well as a shopping arcade, which is currently occupied in a proportion of more than 70 pct.

According to the publication, the transaction is currently in the due diligence stage and could close in the second half of this year.

The selling price is several tens of millions of euro. The first store at Colosseum Retail Park opened in 2011. In the same year, the Bank of Cyprus opened two consecutive credit lines for the project, of EUR 26 mln and EUR 22.8 mln respectively.

At the retail park opening ceremony, Panico Panayi said the annual rental income would be around EUR 6.2 mln.

Nova Imobiliare owns a 60 ha site in the Chitila area, where alongside the retail park, Colosseum Shopping Center will be developed. The two-stage project is planned to become the largest mall in Romania, with a leasable area of 140,000 sq. m and 480 stores.

201402038 Schneider Electric Rents Space at Green Court Bucharest

Schneider Electric has rented approximately 3,100 sq. m of office space at the first building within Green Court complex, thus becoming the first tenant in the project, being developed in the Bucharest Barbu Vacarescu - Floreasca area by Swedish Skanska. The deal was brokered by Colliers International.

Schneider Electric's relocation from EuroTower office building to Green Court is the first office lease deal signed for the Floreasca - Barbu Vacarescu area in early 2014.

Skanska will seek LEED Gold certification for the three-stage Green Court Bucharest project, which is the company's first development in Romania. The first building, with a GLA of 19,500 sq. m, is to be delivered in October 2014.

201402039 Dr. Oetker Purchases Land for New Romanian Factory

Germany's baking additive manufacturer Dr. Oetker will build a new factory in Romania, after last year bought 14 ha of land near its existing production facility in Valea Iasului, a commune with nearly 2,800 inhabitants in Arges County. Investment could exceed EUR 15 mln.

Dr. Oetker paid EUR 1.8 mln for the land to Valea Iasului City Hall, according to Valea Iasului Mayor Nicolae Barbu.

"This sale was requested by the company and we auctioned the land, and they won. The site is in the immediate vicinity of the land they already hold in the commune," Nicolae Barbu told Ziarul Financiar.

Dr. Oetker Ro entered the Romanian market in 1998, and is now the largest player in the local market of food additives, with a EUR 55 mln turnover per year. The existing factory currently employs about 350 people and is the largest manufacturer paying taxes in the commune, and one of the 20 largest companies in Arges district.

201402040 Globalworth Acquires Bucharest Office Building for EUR 58 mln

Globalworth Real Estate Investments today announced the acquisition of Tower Center International (TCI), an A-class office building in Bucharest's Central Business District (CBD).

Dimitris Raptis, Deputy CEO and CIO of the company, commented: "We are delighted to have completed the acquisition of TCI. Being the second tallest building in Bucharest and strategically located in the heart of the city's CBD in Victoriei Square, with tenants such as EY (Ernst & Young), Hidroelectrica, Deutsche Bank, the Romanian Ministry of European Funds and Cegeka, TCI constitutes a landmark office asset".

The property, which consists of two interconnected buildings, has a GBA of 24,711 sq. m over twenty six above-ground floors and 130 underground and eight open parking spaces.

The building was delivered before 2012 but remained empty due to multiple legal actions which have now been resolved. The Globalworth founder (50 pct) and co-investors acquired the property out of insolvency in July 2012.

At the end of June 30, 2013, four tenants occupied 12,775 sq. m of the property, with the lease contract durations being two years (one contract for 20 pct of the leased area), seven years (one contract for 19 pct of the leased area), 10 years (one contract for 35 pct of the leased area) and 11.25 years (one contract for 26 pct of the leased area).

The WALT is approximately 8.8 years (based on passing rent) and the vacancy level at the end of June was approximately 43 pct. Monthly office rents in the property range from EUR 16.5 to EUR 18 per sq. m and the average rent is EUR 17.1 per sq. m. The rent is adjusted annually by reference to HICP. On reaching fully let status, Tower Center is expected to generate more than EUR 5.0 mln of net operating income.

The acquisition cost for the Tower Center International Srl, the holding SPV of TCI, is EUR 58 mln. The property has a market value of EUR 70.3 mln, according to an independent market valuation conducted in 2013.

The equity part of the consideration is being satisfied through (a) the issue of shares of no par value equal to EUR 13.666,100 at the IPO placing price of EUR 5.0, of which 2,533,220 ordinary shares are being issued to Stanuta Enterprises Limited, a founder company, which has a 50 pct interest in TCI and 200,000 ordinary shares are being issued to Pokandro Limited, the remaining 50 pct shareholder of TCI, and (b) the payment of EUR 11,666,092 in cash to Pokandro Limited.

Application will be made to AIM for 2,733,220 ordinary shares to be admitted to trading on AIM with this expected to occur on February 24, 2014. Following the above issue, the total issued share capital of the company will comprise 23,638,857 ordinary shares.

201402041 EBRD Supports Greenfield Plant Project in Romania

The European Bank for Reconstruction and Development (EBRD) today announced it is lending EUR 5.0 mln to Spanish hydraulic components producer Grupo Industrial Roquet to co-finance construction of a greenfield plant in Romania.

Construction of the greenfield plant is scheduled to start in April 2014 and production is planned to begin in 2015.

In the Romanian factory, Roquet will produce larger diameter cylinders used in capital goods applications, mainly agriculture and constructions machinery.

James Hyslop, EBRD Director Romania, said: “The EBRD is proud to support this investment which is a vote of confidence in Romania as a destination for foreign direct investment and a confirmation that Romania offers attractive conditions for investors.”

Cipriano Gomez, CEO Roquet Hydraulics, said: “The EBRD’s support was the decisive factor for our decision to set up our new factory, which also is our first abroad, in Romania. We are confident that from this industrial base near Ploiesti we will be very successful in expanding our product range and market penetration.”

Grupo Industrial Roquet produces highly specialized foundries gear pumps, hydraulic cylinders, control valves and various components for hydraulic applications, serving industries like construction and agricultural mobile equipment, transport, logistic elements and machine tools in four factories in Spain.

201402042 Centrofarm Builds Bucharest Office Building

Romanian Centrofarm company, owner and operator of a chain of pharmacies of the same name, has started developing a 10-story office building in the city center of Bucharest, near University Square. The relevant building permit was obtained in February 2012.

The 2,100 sq. m project site is at the intersection of Tudor Arghezi and Jean-Louis Calderon Streets.

Centrofarm representatives did not provide details, but according to public information the property will be organized on 10 floors, plus a technical floor. Construction started in February 2014 and completion is scheduled for February 2017.

Centrofarm is controlled by General Farma Invest, which in turn is owned by Cyprus-registered Degribo Consultans Limited, and Catia Radulescu, general manager of Centrofarm, Mediafax reports.

201402043 Romanian Ocna Sibiului Spa Complex Goes Bankrupt

Romanian Statiunea Ocna company, managing Ocna Sibiului spa complex, known for its therapeutic salty waters, has gone bankrupt.

The company's total debt is EUR 7.2 mln, with BCR being the largest lender.

"Bankruptcy was opened in December last year. The company owes EUR 6.4 mln to BCR, and a further EUR 0.8 mln to unsecured creditors and the state budget. There are many such cases in the industry, "said Paul Stanciu, representative of Edge Business Restructuring Advisors, judicial liquidator of the indebted company.

The company borrowed funds from BCR almost ten years ago to develop its second hotel in the resort, Helios.

Last year, Statiunea Ocna had a RON 3.3 mln (EUR 750,000) and loss of RON 981.000 (EUR 222,000), according to data from the Ministry of Finance.

Ocna Sibiului spa resort includes two hotels, i.e. the four star Helios Hotel with 52 rooms and the three-star Salinas, with 23 rooms, a restaurant in a historic building, swimming pool, and hot bath facilities, Ziarul Financiar reports.

201402044 Moreni Industrial Park to Undergo Expansion

Dambovita County Council wants to expand Moreni Industrial Park, as its current occupancy is 100 pct, Dambovita County President, Adrian Țutuianu said.

Moreni Industrial Park, covering 25.2 ha, will almost double its surface with the planned 22 ha extension, Țutuianu said.

20 companies, employing about 1,000 people, currently operate in the park. "We are in advanced talks with foreign companies," Moreni Industrial Park director Mihai Petrescu said.

Moreni Industrial Park was established in 2002 by dividing Automecanica Moreni weapons plant. The park's sole shareholder is Dambovita County Council. The area was modernized through a EUR 10 mln project with European funding. The industrial park is located 100 km from Bucharest and 17 km from Targoviste, Agerpres reports.

201402045 Coresi Brasov Construction Proceeding on Schedule

Coresi Brasov shopping center will open in the first quarter of 2015. The first phase will include an Auchan hypermarket, cinema, food court and shopping gallery.

Work started in October 2013. The first two of four construction phases, including development of foundations and structures are already complete, with construction of the building facade to begin in about a month.

"We currently have a lead of over a month from the initial plan, thanks to favorable weather conditions and high quality services provided by the two contractors we work with – Bog'Art and Conarg. The hypermarket structure is 90 pct complete, and the gallery structure - 40 pct, "said Tatian Diaconu, CEO of Immochan Romania, the project developer.

Coresi shopping center will have an area of approximately 32,000 sq. m, including a multiplex with eight cinema halls, food court, entertainment area for families and commercial gallery. An Auchan hypermarket, with a sales area of 13,300 sq. m, will complement the tenant mix in the project. The commercial complex will have parking for 2,000 cars.

"Coresi is the first large-scale commercial center that will serve Brasov, a city with a population of over 300,000 people. In future, we will continue to expand the project with a retail park, which will bring together furniture and sporting goods retailers, an office complex and residential space," said Tatian Diaconu.

201402046 Atenor Group to Complete First Bucharest Office Building in March

Belgian Atenor Group will complete next month the first building within its Hermes Business Campus office project in the Bucharest Pipera area, following an investment of around EUR 25 mln.

The project will be managed by Colliers International.

The building will have a leasable area of 18,000 sq. m, with the list of future tenants including the Royal Netherlands Embassy in Bucharest and companies such as Xerox, Litera Group,

Fribourg Capital, Bunt Studio and Universal Online Promotion, according to data provided by Colliers.

These tenants will occupy an area of about 3,500 sq. m in the building, or 20 pct of its leasable area, Ziarul Financiar reports.

201402047 Endava Establishes Development Center in Macedonia

British IT services provider Endava has established a development center in Skopje, where it plans to employ 100 people in the next 12 months and over 400 in the next four years, the company announced on Thursday.

The Macedonian government, in turn, announced that Endava will invest over EUR 2.0 mln in the project's first stage.

Endava is one of the fastest growing IT services companies in Europe, with 1,500 full time employees, and one of the most active IT employers in Romania and Moldova, where the company has delivery centers in Bucharest, Chisinau, Cluj and Iasi.

Endava also said it plans a 25 pct annual increase in headcount in its existing locations in Romania and Moldova, where it already has over 1,300 employees.

201402048 Leroy Merlin Raises Capital of Romanian Unit

French Adeo Group has increased the capital of its Leroy Merlin Bricolaj Romania subsidiary, operating a store in Colosseum Retail Park in the Bucharest Chitila area. Funds from the EUR 10 mln increase will most likely be used for a new store opening.

Leroy Merlin Bricolaj Romania had sales of RON 7.035 mln in January and a registered capital of RON 168 mln (EUR 37.26 mln), according to Monitorul Oficial (the Official Gazette of Romania).

Company representatives have not responded to Mediafax on how the new funds will be used, but most likely they will be invested in building a DIY store near Bucharest.

Leroy Merlin, one of the leading DIY companies in Europe, has recently acquired a 4.5 ha land plot in southern Bucharest, where it will build a new store following an investment estimated at EUR 15 mln. The land is located near the intersection of Alexandriei Road and the ring road, in the Bragadiru zone. Work could begin this spring.

The store will have a total area of 17,000 sq. m. This will be Leroy Merlin's third store in Romania, given that the company is planning to open another unit in Craiova in June-July, within Electroputere project.

Leroy Merlin's store in Colosseum Retail Park generated EUR 21 mln in sales revenue in 2012, the first full year of operation, according to data from the Trade Registry, and last year the company representatives estimated the business at about EUR 35 mln. Leroy Merlin is part of Adeo Group, which also owns Auchan and Decathlon retail chains, Incont.ro reports.

201402049 Developer Eyes Bucharest Residential Investment Opportunities

The residential segment in Romania has great potential in the context of the Prima Casa (First Home) program and Neocity Group is currently seeking land for residential development in Bucharest, Nimrod Ben-Ami, CEO of Neocity Group Romania, told Wall-Street.ro.

Late last year Neocity Group sold City Park Mall in Constanta to NEPI investment fund in a EUR 81 mln deal and announced plans to start new developments in the country.

According to Nimrod Ben-Ami, the prospects for the Romanian real estate market show at least slight improvement as the macroeconomic situation improves, and Romania is now becoming more attractive for service providers, manufacturing companies, retailers and investors.

"These items will have a positive effect for at least a part, if not for all real estate sectors. We hope that purchasing power and consumer confidence will also recover slowly, but stable," Nimrod Ben-Ami said, adding that in his opinion the residential segment has the greatest potential today because of the Prima Casa (First Home) program.

Neocity Group is currently seeking investment opportunities in the Bucharest residential market. "We are analyzing several opportunities to launch new investment projects," Nimrod Ben-Ami said, noting that if a project has a good quality while remaining affordable for young families, then the result will be positive.

201402050 New Mixed-use Office, Hotel and Housing Development Planned in Bucharest

A new multifunctional office, hotel and housing complex, with a maximum height of 120 m, could be built at 68, Clabucet Street in northern Bucharest, according to the Detailed Urban Plan (DUP) for the area, approved by the Bucharest District 1 City Council, B365.ro reports.

The project owner, Bluerose Ro Corporation Srl, is now able to apply for a building permit.

The new complex will feature several different buildings with a height of P+2, P+8, P+10, P+11, P+12, P+14 floors and a building with P+17 floors.

According to the latest data available on the Ministry of Finance website, Bluerose Ro Corporation registered a RON 23 mln loss in 2012.

As Property Xpress reported, in 2009 Bluerose Ro Corporation Srl, then a 50:50 pct joint venture between Israeli real estate developer Rosebud Medical and a foreign investment fund, planned to build a 273,000 sq. m mixed-use complex on a 6.0 ha site in the northwestern part of Bucharest.

201402051 Gheorghe Iaciu Acquires Romanian Shopping Center

Romanian businessman Gheorghe Iaciu, who has invested heavily in increasing his stake in Impact Developer & Contractor to more than 45.48 pct since last year, has bought Moldova Mall shopping center in Iasi, included in the portfolio of Equest Balkan Properties (EBP) investment fund.

The transaction value was not disclosed.

"Following extensive multiparty negotiations conducted over the last month, shareholders of Rivium Galeria Mall SRL, which owns and operates Moldova Mall, have transferred their shares to investment company Afaredo Limited," people familiar with the deal told Capital.ro.

In 2011, George Teleman, partner at Equest Balkan Properties, took 51 pct of Vitantis shopping center in Bucharest and Moldova Mall in Iasi for EUR 5.0 and about EUR 20 mln in debt to UniCredit Bank.

The sale of Moldova Mall to Gheorghe Iaciu has mainly involved negotiations with UniCredit Bank Austria. In particular, Gheorghe Iaciu has committed to pay a portion of the bank loan and partially capitalize on the debt taken.

Moldova Mall, with a GLA of 9,024 sq. m, was developed by Iasi businessman Danut Prisecariu and sold in 2006 to EBP for EUR 34.5 mln. The purchase was funded through equity (about EUR 12 mln) and bank loans, worth about EUR 20 mln.

Following the transaction completion, George Iaciu has proposed to invest further in transforming Moldova Mall into a mixed retail and office destination.

Gheorghe Iaciu's real estate investments include a 50 pct stake in Doraly Expo Market in Afumati, along with an investment fund of the HSBC Group, a 67 pct stake in Doraly Mall in Constanta, a 45.48 pct stake in Impact Developer & Contractor and a number of land holdings in Afumati. Iaciu is also the largest shareholder of SIF Muntenia, with a 5.0 pct stake.

In Romania, EBP owns Vitantis shopping center, four A and B-class office buildings, all purchased in 2006 and located in Bucharest. The fund also holds Equest Logistics Centre project, including land with a total area of 11 ha, located in Bucharest West Logistics Park.

201402052 Praktiker Sells Romanian Business to Turkish Entrepreneur

Germany's DIY retailer Praktiker Group has sold its Romanian operations, generating sales of EUR 142 mln in 2012, to Turkish businessman Omer Susli, active in the construction industry, sources in the DIY market told Mediafax.

Omer Susli, former president of the Association of Turkish Businessmen in Romania (TIAD), is a shareholder in Search Chemicals company, dealing with building materials distribution and having a business of EUR 10 mln in 2012. The transaction is expected to close on Monday and entitle the owner to use the Parktiker brand in Romania.

A week ago the German group sold its operations in Ukraine, where it had four stores.

With a chain of 27 stores in Romania, Praktiker is the second largest DIY retailer in the country, with a sales area of 184,300 sq. m. Most stores opened between 2005 and 2008, during the real estate boom. Praktiker stores operate in leased premises, where the average rental rate is EUR 7.0 – 9.0 per sq. m, meaning that the company pays rent of between EUR 15-20 mln a year.

Praktiker Romania competes with retailers such as Ambient, bauMax, Dedeman, Hornbach, Mr. Bricolage, OBI, Kingfisher and Leroy Merlin.

201402053 Vodafone to Move Romanian Headquarters in 2015

Mobile operator Vodafone, with a EUR 800 mln annual turnover and about 3,300 employees in Romania, will move its local headquarters next year to Bucharest One office tower, to be developed by Greek businessman Ioannis Papalekas between Pipera Overpass and Promenada Mall in northern Bucharest.

After several months of negotiations, Papalekas, through Globalworth Real Estate Investments, and Vodafone have reached agreement to lease about 16,000 sq. m of space at the 23-story building, market sources told Ziarul Financiar.

Work on this project is about to start soon. Bog' Art construction company, controlled by businessman Raul Doicescu, was recently appointed general contractor for the project. The building is scheduled for completion in the third quarter of next year.

Vodafone's current Bucharest headquarters is in Charles de Gaulle Plaza, at the entrance to Herastrau Park. The company also has secondary offices in Pipera and Avrig Street, in the Obor area of the capital.

201402054 Romanian Former Factory Building Might Turn into Hotel

Mondelez Romania, formerly Kraft Foods, one of the biggest players in the confectionery industry, seems to have found a buyer for its Brasov factory, which has not been functioning since 2009.

The City of Brasov has already cancelled Mondelez's plans to sell the factory in the city's historic center to German retail chain Lidl for a supermarket.

Mondelez Romania is now apparently talking to an entrepreneur, who plans to develop a hotel on the former chocolate factory site.

At their forthcoming Friday meeting, Brasov local councilors will consider a change of the zonal urban plan in this part of the city, requested by an American company and foreseeing construction of a hotel with conference rooms and commercial spaces.

The 9,800 sq. m factory site is situated at Alexandru Ioan Cuza Street. According to real estate consultants, the price of a square meter in the area is around EUR 230-250, so the purchase price could be around EUR 2.2-2.4 mln.

Mondelez Romania also owns a 13,200 sq. m plot at De Mijloc Street, BizBrasov reports.

201402055 Karcher Considers Production Capacity Expansion in Romania

German cleaning equipment manufacturer Karcher, with annual sales of about EUR 2.0 bln and 10,000 employees, partnering with Romanian enterprise Electroarges since 2002, is considering expanding its production in Romania.

One of the options considered includes construction of a factory on a 5.0 ha land plot in Curtea de Arges. "The Karcher business has increased rapidly in recent years and will continue to grow in all markets. We are considering how we can increase capacity, but have not yet made a decision," Alfred Karcher, representatives of the German company, told Ziarul Financiar.

"Karcher Group has bought land in Curtea de Arges for construction of a factory," Curtea de Arges Mayor Nicolae Diaconu said.

"The company purchased 5.0 ha of land in Curtea de Arges in 2010, but at this stage there is no concrete plan to build production units on the ground," German company representatives said.

Through its CER Cleaning Equipment, Karcher operates a service and development center in Curtea de Arges, employing 30 people. The company's local partner Electroarges produces vacuum cleaners under the Karcher brand.

201402056 Best Foods Purchases Bucharest Site for EUR 2.5 mln

Popcorn and chips manufacturer Best Foods, owned by Greek businessman Epameinondas Ochonos (66 years), has acquired an 8,159 sq. m land plot at Timisoara Boulevard in Bucharest from the insolvent bread manufacturer Spicul, controlled by local entrepreneur Gheorghe Ilie.

The site was pledged as collateral for a loan provided by BCR, according to a report by the insolvency administrator, PricewaterhouseCoopers Business Recovery Services.

"I received a good price for the property - EUR 2.5 mln plus VAT. The transaction included land and a 3,000 sq. m building. The land is very close to Best Foods' factory and lends itself to arrange a warehouse," Gheorghe Ilie, majority owner of Spicul company, told Ziarul Financiar.

For the site at Timisoara Boulevard, Best Foods, with a local business of EUR 12.8 mln, paid EUR 355 per sq. m. Eight years ago, Spain's Gran Via paid EUR 552 per sq. m for the former Frogocom platform, located in the same area.

201402057 EIB extends support to SMEs, midcaps and municipalities in Romania through BCR Leasing

The European Investment Bank (EIB) is providing a EUR 15 million loan to BCR Leasing to finance small and medium-sized enterprises (SMEs), midcap companies and public entities in Romania implementing projects in industry, services and infrastructure.

BCR Leasing IFN S.A., part of the BCR Group which is majority-owned by the Erste Group is signing a first tranche of EUR 15 million from a total credit line of EUR 75 million agreed with the EIB.

This loan is in line with the EIB's priority to support Europe's SMEs, particularly in the difficult current economic environment. To this end, the EIB is joining forces with well-established financing institutions, like BCR Leasing, that know the local market and have SMEs, midcap companies and public entities as their customers.

In particular, SMEs will be supported to purchase, renovate or extend tangible assets (other than land), invest in R&D, build up distribution networks in domestic or other markets within the EU and cover medium and long-term working capital needs to finance their regular trading cycle.

Public sector entities undertaking small and medium-scale infrastructure or sustainable community investments will be eligible for support towards improving public services in the fields of transport, energy, waste, telecommunications, water, health, education and social housing.

Mr Mihai Tanasescu, EIB Vice-President with responsibility for Romania, stated:

"EIB funds will be on-lent with the help of a new EIB intermediary – BCR Leasing – in order to facilitate the access of SMEs, midcap companies and municipalities to long-term finance. The new facility will strengthen the EIB's support to SMEs and midcaps and foster their competitiveness and productivity. Given that they represent the engine of the Romanian

economy the operation will have a positive impact on economic growth prospects and job creation”.

201402058 EBRD loan to complement EU funds for clean water in Arges County

The European Bank for Reconstruction and Development (EBRD) signed an EUR 11.8 million loan to modernize and upgrade the water and wastewater services in Arges County, joining forces with the EU Cohesion Fund.

For this project, the EBRD is providing the loan to S.C. Apa Canal 2000 S.A., co-financing a regional investment programme for water supply and wastewater facilities and networks under EU Cohesion Fund financing for Romania.

According to the official press release, a Municipal Support Deed was signed on February 14 at the EBRD in London, in the presence of his Excellency Ion Jinga, the Romanian Ambassador to the United Kingdom of Great Britain and Northern Ireland. The Romanian delegation was led by the Mayor of Pitesti, Tudor Pendiuc.

Furthermore, “technical cooperation support for the project will be provided by the EBRD Shareholder Special Fund, to assist the regional operating companies through a Framework-wide benchmarking programme for water operators in Romania as well as through procurement benchmarking”, is specified in the official document.

The EBRD loan will be used to finance infrastructure for drinking water treatment and distribution as well as wastewater collection and treatment, for the populations of the towns of Costești, Pitești, Ștefănești and Topoloveni, and the surrounding areas, in the central part of Argeș County.

The EBRD’s loan is the 21st investment under the Bank’s Romania EU Cohesion Funds Water Co-Financing Framework, launched in 2010. The facility was originally approved in November 2010, with a volume of EUR 200 million, and further increased by EUR 130 million in September 2012, following strong local demand. To date, the EBRD has mobilized approximately EUR 2 billion of EU funding in Romania’s water and wastewater facilities.

Since the start of its operations in the country the EBRD has invested approximately EUR 6.4 billion across over 343 projects in Romania, and has further mobilised over EUR 14 billion for these ventures from other sources of financing.

201402059 EBRD grants EUR 5 mln loan to Grupo Industrial Roquest for greenfield plant in Romania

The European Bank for Reconstruction and Development (EBRD) said on Wednesday it granted a EUR 5 million loan to Spain’s Group Industrial Roquest, which will be used to co-finance the construction of a new greenfield plant near Ploiesti.

The company makes hydraulic equipments in four plants in Spain. Construction on the new unit should start this April, with production set to kick off next year. The company will make in Romania larger diameter cylinders, which are mainly used in agriculture and constructions machinery.

“The EBRD is keen to support Roquet’s investment as it represents the kind of investment which is crucial for the sustainable and long term development of the country’s economy,” said James Hyslop, EBRD director, Romania.

Roquest said the new plant is designed to cover rising demand for its products and that Romania was selected because of its “competitive advantages”.

The loan is provided under the Local Enterprise Facility worth EUR 400 million, which targets companies in the Balkans, and in southern and eastern Mediterranean region. It provides a wide range of financial products, including equity and debt financing for companies.

The loan also benefitted from EUR 40,000 in Technical Cooperation funds, used to support the implementation of the investment.

The EBRD has invested around EUR 6.6 billion across over 356 local projects, mobilizing over EUR 14 billion for these ventures from other financing sources.

201402060 Third parties could be forced to pay debts in Romanian companies

The National Agency for Tax Administration (ANAF) has issued an order at the beginning of February, which describes the procedures under which individuals and legal entities may be held by the Romanian authorities jointly and severally liable for the tax debts of a Romanian taxpayer, according to Ioana Hockl, partner at ZRP Tax.

This means that if, for instance, a Romanian company does not have enough financial resources/assets to pay its outstanding tax debts, the tax authorities may oblige third parties, including the individual shareholders and/or the administrators, to pay the company’s debts, provided the tax authorities can prove they have contributed in bad faith to the outflow of resources from the company, according to Hockl.

They could have triggered the company’s commercial debts and/or disposed of the company’s assets under artificial transactions that did not reflect sound business practices.

“The issuance of the above mentioned guidelines will have the effect of intensifying the attempts of the tax authorities to attract the joint and several liability of several parties in order to collect outstanding tax debts. Also, I expect that a significant number of such parties may seek to contest in court the approach of the tax authorities,” Hockl told .

201402061 The second Romanian metropolis to have its own subway

Timisoara is getting ready to become the second Romanian city to have a subway system. Nicolae Robu, Timisoara's mayor, said on Tuesday that his city's first subway line will have a length of 8 kilometers, which will connect downtown to the airport, writes businessmagazin.ro. The project will be included in the budget plan for 2014-2020, however the mayor did not offer any details about they will finance the project.

"This is the solution – the railway tracks will go underground and in this way we will connect a few key-spots of our city: Gara de Nord, the mall, Gara de Est, the airport, all of them can be connected and we can achieve it in a short while with a limited budget. They will use the mole-equipment which are used for digging under mountains, under seas, wherever you want", Robu explained.

The subway line will start at the Northern Train Station, then go to the Eastern Station and it will have its final stop at the International Airport in Timisoara.

201402062 Brussels warns Romania: Finalize European projects by 2016

In a letter dated January 8, 2014, Vittoria Alliata di Villafranca, Director of Budget Affairs at the European Commission's General Directorate for Regional Policy (DG REGIO), notified Eugen Teodorovici, Minister of European Funds, that Romania must submit new projects in 2014 in order to cover the amounts granted to Romania which have not been used yet, and not lose the money, hotnews.ro informs. The letter was made public at the Annual Meeting with Romanian authorities from December 10, 2013. According to the EC letter, both parties – the European Commission and the Ministry of European Funds (MFE) – have agreed that in this stage of the application process, the risk of not finalizing recently launched or already adopted projects before end-2015 should be managed carefully. Beneficiaries of unfinished projects and the Romanian authorities need to take (financial) responsibility and finalize them, so as to prevent losing the already reimbursed EU financing. Therefore, according to the EC representative, each project should be carefully monitored and correspondingly adjusted.

To prevent such risks, the Commission has asked MFE to revise the Priority Action Plan for European fund absorption. The letter contains several point-by-point observations with respect to each operational program. Thus, by end-February 2014, MFE must create a "major project monitoring system based on clear criteria, in order to avoid further delays," the EC Director notes. This system will help monitor the progress of each individual project, from the contracting phase to execution and fund absorption, while keeping the Commission informed on a regular basis. Management authorities of ministries in question and the Ministry of European Funds must identify the cause of delay and implement corrective measures, the document cited by hotnews.ro shows. Romania can still absorb European money granted during the 2007-2013 programming period by end-2015, but Vittoria Alliata di Villafranca has warned Teodorovici that the country needs to submit the last projects as soon as possible in 2014 to stand a chance at absorbing funding for them. "Officially, the submission deadline is mid-2015, but projects that have not been submitted in 2014 have no real chance at

implementation. It is important for these projects to be included on the same list as the projects which will be annulled, postponed, redistributed, or supplemented from the state budget,” the DG REGIO Director has said. “2014 must be a year of delivery and implementation, as Romania still 65 percent of the Funds available,” said Vittoria Alliata di Villafranca.

The EC official underlined Romania must be dedicated to finalizing projects and accelerating their implementation, “with a focus on results in the months ahead.”

In this respect, the Director told Romanian authorities they need a clearer dialogue with the European Commission in order to benefit from the Commission’s help.

201402063 Praktiker’s operations in Romania sold to Turkish businessman

German home improvement company Praktiker, which is facing liquidity problems at group level since last year, problems that have led to several subsidiaries filing for insolvency, has sold its operations in Romania to Search Chemicals, owned by Turkish businessman Omer Susli, as a press release informs.

The transaction value is not specified. Susli, who is also, President of the Turkish Businessmen’s Association and shareholder in several construction companies, started last November the negotiations to take over the local business that consists of 27 stores with annual sales of approximately EUR 140 M, zf.ro. He recently reached an agreement with Praktiker to take over the stores as well as the right to use the German company’s brand in Romania.

This is the second important transaction on the home improvement market in the last year, after the Bressons, the family that owns the French network Bricostore, sold their 15 stores in Romania to Britain’s Kingfisher Group. The home improvement market, a sector in which the biggest players’ sales approach EUR 2 bln per year, was severely hit by the construction sector’s crisis and is now undergoing a period of consolidation.

201402064 Bosch invested EUR 77 M in production centre in Cluj

Bosch has invested EUR 77 million in their research and production centre in Cluj, and the unit that started to operate and the end of last year is to be officially opened on May 9, announced the German corporation yesterday in a press release. “Last year, Bosch hired about 325 people both for production and R&D. The German corporation will continue the hiring process in 2014,” reads the company release.

The centre located in the industrial park Tetarom III in Jucu village stretches over 38,000 square metres and is part of Automotive Electronics division, which develops and produces electronic units of command, semiconductors and sensors for the car industry and other fields. The division has 17 production units in the world and about 20,000 employees.

In Romania, Bosch has operations in Bucharest, Blaj, Cluj and Timisoara with about 20,000 employees at the beginning of the year. The expansion of their production and development activities will lead to an increase in personnel by the end of the year.

201402065 Azerbaijan SOCAR plans to have 100 gas stations in Romania

The State Oil Company of Azerbaijan (SOCAR) has opened two new gas stations in Romania, bringing the total number of the facilities in the country to 25.

The new gas stations opened in Oradea and Timisoara, while work continues to launch the stations in Bacau, Cluj, Sibiu, Arad, Bistrita and Iasi.

SOCAR said it plans to bring the number of its gas stations in Romania to 100, AzerTAc reports.

201402066 Polish IT&C distributor ABC Data to enter the Romanian market

Polish IT&C distributor ABC Data, with operations in eight countries in the region, has announced its direct entrance on the Romanian market.

This is the second time ABC Data is present in Romania. The first time, it was present via local distributor Scop Computers, in which it owned the major share package. In 2012, Scop Computers was involved in major fraud allegations. "We do not have shares in this company anymore," said Norbert Biedrzycki, CEO and president of the administration board of ABC Data.

ABC Data has 30 percent market share on the markets where it has been present for a long time- Poland, the Czech Republic, Slovakia, Lithuania, Latvia, Estonia and Hungary. At the moment, the company is focusing on developing projects in countries with high potential such as Romania and Germany.

ABC Data aims to be one of the top 15 local distributors in Romania by the end of 2014, and in top five vendors within 3 years' time. For 2014, ABC Data estimates it will have a market share of 2-5 percent in Romania.

Company officials estimated the local distribution market will hit the EUR 800 million mark this year.

At the moment, the company is in talks with the largest IT producers in Romania. There are already 200 vendors onboard and more are expected to join. "We are backed up by vendors who are willing to come with us on the Romanian market.

Also, ABC Data will be promoting in Romania its own tablet brand Colorovo.

At the moment, the products are delivered within two business days to any location in Romania from two warehouses in Poland. "We are working on an investment plan for local delivery within 24 hours by the end of the year, this is a priority for us," said company representatives. There are plans to build a warehouse in Romania, with Bucharest being the preferred location, but ABC Data officials did not offer any further details on the timing.

Romania is an important market that could become a regional hub in the future. "Sooner or later we will need to have a logistic hub if we want to operate in this part of the world," said Biedrzycki.

ABC Data has developed its own B2B InterLink platform on all markets where it has a footprint. At the moment, over 90 percent of the orders are generated on InterLink, which is available for Romanian partners at ABCData.com.ro.

The company currently has 10 employees in Romania at the moment and plans to double the team by the middle of this year.

ABC Data was listed on the Warsaw Stock Exchange in 2010. In 2013, the group posted an estimated turnover of EUR 1.2 billion.

201402067 Hampton by Hilton Opening Announced in Romania

Hilton Worldwide has signed an agreement to open a Hampton by Hilton hotel in Iasi, thus reaching a total of 12 units already operating or under development in Romania, the company announced on Thursday.

Hampton by Hilton Iasi will open in the second half of 2014, following a renovation of the former 15-story Europa Hotel building, owned by Inproiect company. The hotel will contain 123 rooms, a fitness center and facilities for business meetings, as well as 100 parking spaces.

"Being the largest of the Balkan countries, Romania is an important market for the expansion of our brands. Later this year we will also open a DoubleTree by Hilton hotel in Sighisoara," Patrick Fitzgibbon, senior vice president, development, Europe and Africa, Hilton Worldwide, said.

Located in the city center, the hotel is near the newly opened Palas Iasi compound.

The Hampton by Hilton brand is already present in Romania, following the opening of Hampton by Hilton Cluj-Napoca in 2013. Other Hilton Worldwide properties in Romania include Athenee Palace Hilton Bucharest Hotel, and DoubleTree by Hilton Hotel Bucharest – Unirii Square, Doubletree by Hilton Oradea and Hilton Sibiu.

Europa Hotel, controlled by businessman Gheorghe Ionescu, was closed in 2013, after losses of around EUR 1.0 mln, Mediafax reports.

201402068 Delhaize leaves Bulgaria

Belgian supermarkets group Delhaize said on Wednesday it had sold its Bulgarian business to AP Mart for an undisclosed sum as it focuses more on core markets, writes Reuters.

Delhaize had 43 stores in Bulgaria under the Piccadilly brand in Sofia, Varna and Plovdiv. The retailer started doing business in Bulgaria in 2011 when it bought Serbia-based group Delta Maxi, which had stores across south-eastern Europe.

The Belgian retail group has also recently sold its operations in Albania and Montenegro. The transaction was expected to be completed in the second quarter of 2014.

Delhaize owns the Mega Image chain in Romania. After opening 88 new branches in 2012, Mega Image increased its profit 3.5 times to RON 46.7 million (EUR 10.5 million) on the previous year, while its turnover rose by 44 percent to RON 1.75 billion (EUR 394 million), according to public data.

At the end of September 2013, Mega Image, which is part of Belgian Delhaize group, launched a new retail brand in Romania, AB Cool Food, which sells exclusively frozen foods.

201402069 Kandia leads the chocolate market. Mondelez falls behind Heidi

Kex Confectionery, owner of Kandia and Heidi brands, leads in 2013's ranking of chocolate market companies, but in the ranking of brands the top two positions are filled by Poiana and Milka, belonging to Mondelez International.

Chocolate retail sales (including VAT) for Kandia and Heide passed the EUR 75 million mark, while Mondelez International sold products worth of EUR 66 million, according to ZF calculations based on Euromonitor data.

Retail chocolate sales totaled EUR 242 million in Romania in 2013 and every Romanian spent on average EUR 12 at the cash register for chocolate products.

By comparison, Croatians spent on average EUR 40, while every Bulgarian paid at least 20 euro to satisfy his chocolate craving.