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**Coface CEE Top 500 companies:
Oil & gas hit the hardest but still number 1 in terms of turnover and
employment, Automotive on its way to be one of the leading
sectors**

- **2014: A year of improvement throughout the region – turnover increased by +2.1%**
- **Higher turnover of the biggest companies reflected better economic prospects in 2014**
- **Poland was the biggest player, Hungary had the highest growth rate and the Czech Republic recovered**
- **Sectors: Automotive industry (+10.6%) top, oil & gas sector flop (-3.9%)**

The CEE Top 500 companies generated a turnover of EUR 572 billion in 2014, which exceeds even half of the aggregated 2014 nominal GDP of those economies. The biggest companies were able to increase their turnover as well as workforce. These are the main findings of the seventh Coface annual CEE Top 500 study, in which the international credit insurance company presents the biggest 500 companies in Central and Eastern Europe.

Top 500 players: pickup in growth, declining unemployment rates

The year 2014 was finally one without a major disaster. After years of recession and ongoing difficulties, the development was positive. There is finally an improvement, not as strong as economists hoped for, but stable. The average GDP growth was 2.5% in 2014, which is nearly double the rate of 2013 (1.3%). The turnover increase of the CEE Top 500 showed a similar development curve. Lower unemployment rates, rising wages, the support of low inflation and falling oil prices all contributed positively and made household consumption the main growth-accelerating factor in most CEE economies.

The declining unemployment rates in the region were mirrored by the Top 500 players as well as they increased their staff by 1.7%. Overall 4.2% of the total workforce in the region is employed by the companies of the CEE Top 500.

“The CEE region is traditionally dominated by big oil & gas companies that were confronted with a very tough economic environment in 2014. Oil prices had dropped dramatically by more than a half, which resulted in a decline of refining product prices. Moreover, the companies’ challenges of the previous year included the significantly lower trade volumes due to the Russian embargo, as for example the agriculture, meat, agro food and wine sector dropped by 13.7%.”, explains Katarzyna Kompowska, Coface Executive Manager Central Europe. Nevertheless, thanks to clearer signs of a Eurozone recovery closer to the end of 2014, as well as the efforts by CEE companies to look for alternative markets, the impact of these challenges has been softened.

Top 3 countries: Pole position for Poland, Hungary with the highest growth rate and the Czech Republic is recovering

In total the top three countries represent more than 61% of all companies in the ranking. Poland remains the biggest player in the CEE Top 500 with 176 companies. They represent 40% of the whole turnover of the CEE Top 500. The employment rate in Poland increased by +2.5%, which even exceeded the total change in employment of +1.7%. This growth is due to the positive development within the retail and wholesale trade sector.

Second place goes to Hungary with 73 companies (+3 or +4.3%). These companies were able to increase their revenues by +5.6% which is nearly triple the total growth rate of the CEE Top 500 (+2.1%). The Hungarian economy expanded by +3.6% in 2014 – the highest growth rate in the entire CEE region.

The Czech Republic completes the podium with 65 players, showing an impressive increase of six companies (or +10.2%). The economy is finally recovering from the recessive effects of fiscal consolidation. The Czech enterprises recorded an imposing growth of turnover by impressive +7.8%, the highest one of all countries, not only because of the listing within the world's top 20 biggest vehicle producers.

Sectors: Construction & Automotive industry top, oil & gas sector flop

Nine out of 13 sectors increased their turnover in comparison to the previous year. The automotive & transport sector continued the upward trend from 2013 and showed a very dynamic development in 2014. World vehicle production grew by 2.6% and led to increased production in the CEE automotive cluster. The revenues of the 86 largest companies grew by +10.6% (EUR 101 billions) and their profits exploded (+76,2%) in 2014. This sector also had the highest number of newcomers in the Top 500 (15).

The oil and gas companies struggled with prices that halved in 2014. At the same time, the conflict in Ukraine provided further challenges for the sector. These circumstances led to a dramatic decrease of the profit with EUR 3.3 billion in 2013 down to a loss of EU 48 million in 2014. For that reasons this industry had the highest decrease in turnover (-3.9%) and released staff by -2.1%. Nevertheless, it is the biggest sector of the ranking with 105 companies and almost 30% of the total turnover.

Better prospects for the CEE region in 2015

“The forecast for the CEE region in 2015 is slightly better than for 2014 with an estimated average growth rate of 2.8%. Most economies will benefit from rebounding household consumption and a gradual recovery of the crucial export destination Eurozone. Nevertheless, challenges on both domestic and external sides are a constraint for the sustainable improvement of the region”, adds Grzegorz Sielewicz, Coface Economist for CEE.



P R E S S S E R V I C E

CEE Top 500 study

The international credit insurance company Coface presents its seventh annual study on the biggest 500 companies in Central and Eastern Europe – the Coface CEE Top 500. It ranks the businesses by their turnover and additionally analyses further facts such as number of employees, the framework of the companies, sectors and markets.

For more information and to download the CEE Top 500 study please visit:

www.cofacecentraleurope.com/News-Publications

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About Coface

The Coface Group, a worldwide leader in credit insurance, offers companies around the globe solutions to protect them against the risk of financial default of their clients, both on the domestic market and for export. In 2014, the Group, supported by its 4,406 staff, posted a consolidated turnover of € 1.441 billion. Present directly or indirectly in 98 countries, it secures transactions of 40,000 companies in more than 200 countries. Each quarter, Coface publishes its assessments of country risk for 160 countries, based on its unique knowledge of companies' payment behaviour and on the expertise of its 350 underwriters located close to clients and their debtors.

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