

Results of MCI CG after 3Q 2013



12 November 2013

Summary of 3Q 2013

Key events



EXIT

NEW INVESTMENTS

- **NET PROFIT AFTER Q3 = 170,5 MILLION PLN**
(annual net result forecast for 2013 = 170 million PLN was fulfilled after only three quarters of 2013)
- **VALUE OF ASSETS UNDER MANAGEMENT > 1 BILLION PLN**

- **INVESTMENT EXITS IN 2013 > 50 million PLN**
 - Partial exit of MCI.TechVentures from Invia.cz – sale of share package to Mezzanine Management
 - Dividends from ABC Data / Indeks / Invia.cz

- **ANSWEAR**
 - MCI.TechVentures acquired a minority stake in Poland and CEE's largest multibrand online clothing store
- **TRAVELATA.ru**
 - MCI.TechVentures portfolio company, Invia invested USD5 million in the further development of Travelata.ru, leading online travel packages reseller in Russia

Results of MCI CG for 3Q 2013

in million PLN	3Q 2013
Consolidated net result of MCI	170.5
Net IRR netto since beginning	19.8%

The results recorded in 3Q 2013 were influenced by:

- Significant growth in the value of net assets of MCI.EuroVentures due to increased value of ABC Data SA and the impact of dividends from ABC data SA
- Maintaining stable growth of value in MCI.TechVentures portfolio companies

Indicators

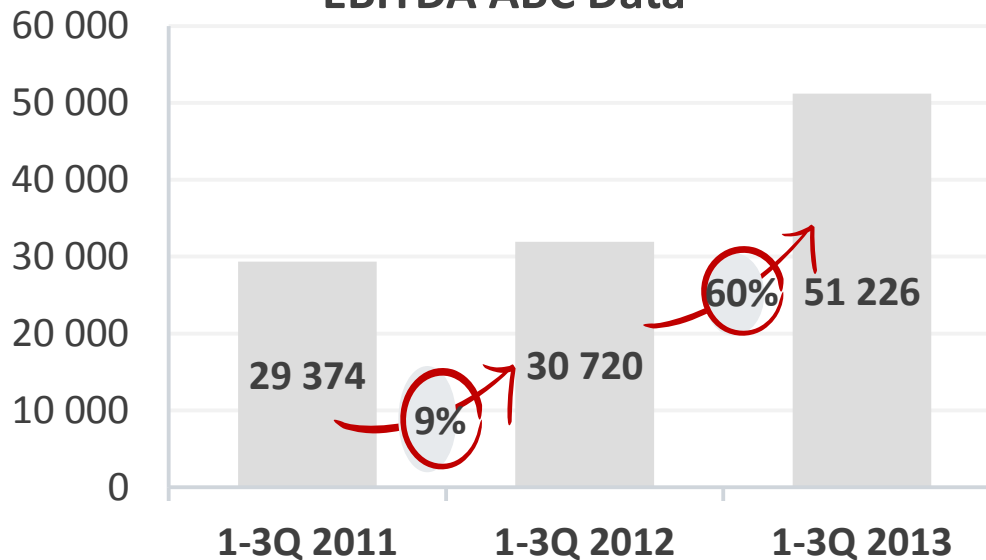
	end 3Q 2013	end 2012	Change y/y
assets	907 million PLN	780 million PLN	+16%
equity	747 million PLN	572 million PLN	+31%
share price of MCI	10.05 PLN	6.37 PLN	+65%
capitalization	656 million PLN	397 million PLN	+65%
AUM	1.051 million PLN	830 million PLN	+27%
P/BV	0.88	0.69	+27%
debt/equity*	12.2%	11%	-11 %

* Debt – external (bonds and loans)

Portfolio / IT distribution

IT distributors

EBITDA ABC Data

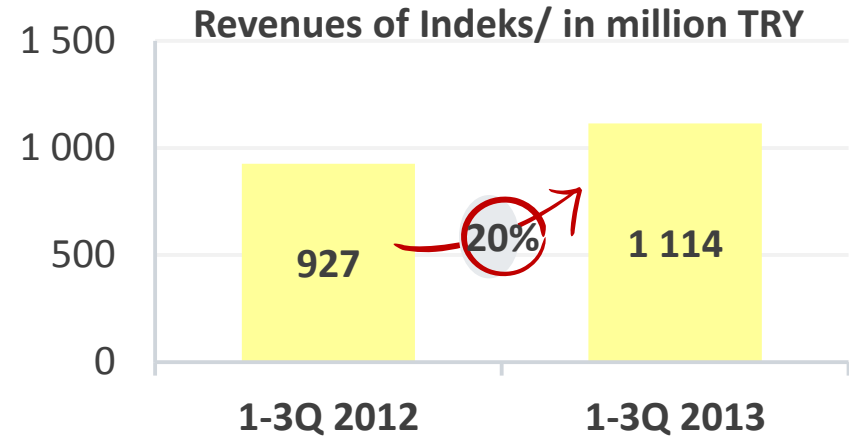
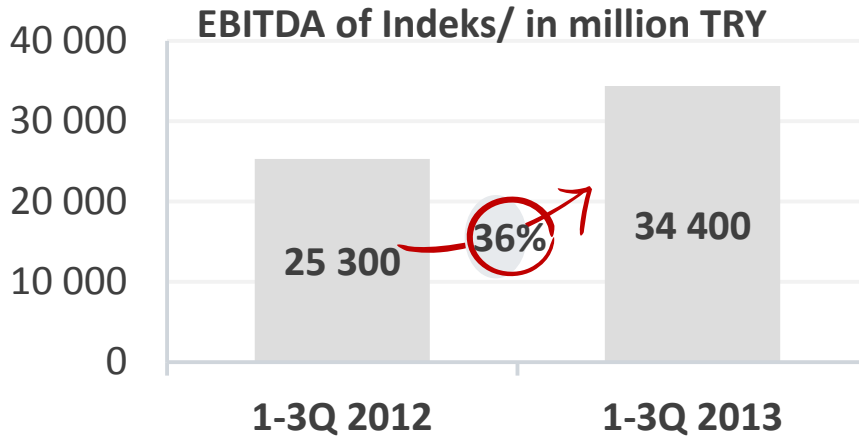


RESULTS

- ✓ Maintaining high growth 36% y/y also in 3Q
- ✓ Value of revenues by the end of Q3 was 3.4 bn PLN, EBITDA by the end of Q3 was 51.2 million PLN)
- ✓ Gross margin 4.5% (3Q 2012 4.2%), EBITDA margin 1.6% (3Q 2012 0.6%)
- ✓ Raising the forecast for 2013 (revenues 4.8 bn PLN; EBITDA 80.2 million PLN)

- Distributor of the year award from Huawei „The Best New Distributor 2013”
- Growing value of companies with a similar business model in the world connected with the development of mobile Internet and e-commerce

IT distributors



Key events in Q3 2013:

- news of 20% revenue growth in Q3 2013
- Entering the telecommunications equipment distribution market with the signing of a contract to distribute iPhones and other **APPLE** equipment (estimated additional revenues of 250 million TRY / 125 million USD per year)
- Turkish market settling down and share price level again over 4 TRY / share
- Company owned real estate – first cash and impact on the result in 2014

Potential of the Turkish market:

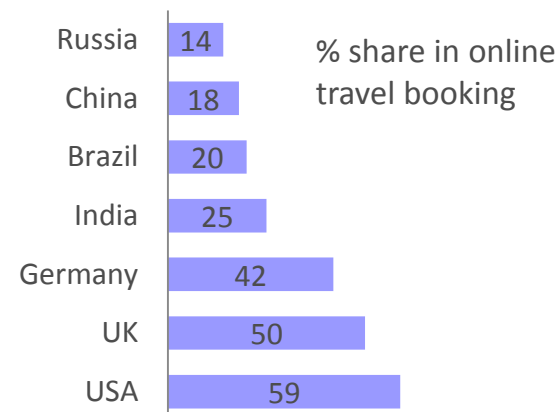
- **real growth of Turkish GDP by 65% in the years 2002-2012**
- **Rapid development of modern banking based on telcom, and IT systems**
- **Young society spending about 26% of their budgets on luxury goods**
- **Turkey is among the 20 leading global economies**

Portfolio / other industries

Key events

- Partial exit of the fund MCI.TechVentures from Invia.cz – sale of share package to Mezzanine Management, additionally providing Invia with mezzanine financing that will be used among others for further expansion in the region of Central Eastern Europe and Russia (Travelata)
- The exit and dividends paid out by Invia gave the MCI.TechVentures fund over 28 million PLN
- Invia invested 5 million USD for the further development of Travelata.ru, the leading online travel packages reseller in Russia
- The size of the market in geographical terms and constantly increasing Internet coverage favor the development of the e-travel market
- It is estimated that the value of the whole travel market in Russia will be worth around USD62 billion by the end of 2014 vs. USD44.5 billion in 2010 (9% growth). With the value of the online travel market in Russia to reach about USD12.5 billion by the end of the year 2014 vs. USD3.1 billion in 2010 (49% growth)

Consolidated results of Invia.cz	2012 actual	Δ in %	2013 estimates
revenue in million EURO	10.5	+19%	12.5
EBITDA in million EURO	2.5	+10%	2.8



Potential of e-grocery

- Nearly one in four people living in Warsaw buys groceries online (according to research conducted by Frisco.pl)
- Average e-grocery shopping cart value is about 255 PLN
- Shopping for groceries online allows clients to save money, among others ,through numerous bargain offers
- The number of ecological products sold online grew by 84% compared to the previous year



Source: Frisco.pl



Source: Frisco.pl

Prospects and plans

Strategy and objectives of MCI for the years 2014-2015



Strategy and objectives of MCI for the years 2014-2015

New investments

- 200 million PLN new investments a year
- +50% PL / 50% DACH, CEE, CIS, Turkey
- Segment leaders in given countries / candidates for global champions
- **Current pipeline: +250 million PLN / 8 investment projects (EV 1, TV 4, IV 3)**

Results / ROE – profit potential (maintaining at the level of 20% per year NAV, IRR)

- +200 million PLN ABC Data
- +200 million PLN Private Equity Managers SA (PEM SA)
- +200 million PLN other assets

Team MCI / PEM SA:

- Sports initiatives (MCI Mazuria Marathon) – promoting sport and healthy lifestyles
- Annual Everest Gala – showing appreciation and awarding the top managers of our portfolio companies
- Promoting appearances at conferences and events (eg. Economic Forum, IDCEE, Webit Conference), represented in PSIK
- Motivating to educate further (4 MBAs, 3 CFAs, 2 ACCAs, 2 Investment Advisers) out of 18 people

Investment exits

- 100 million PLN from exits per year
- Potential exit targets >100 million PLN in the years 2014/2015:
 - ABC Data, PEM SA, Morele.net, Invia, Geewa, Frisco.pl, eBroker.pl
 - Dividends – Indeks, ABC Data, Invia, PEM SA
- **Current pipeline: exits + 80 million PLN + 3 projects**

PEM







- IPO on WSE in 2014 r. / +100 million PLN cash for MCI
- Ultimately complete separation from the capital group
- EBITDA forecast for 2014/2015 is +35 million PLN
- AUM forecast (conservative) is 1.5 bn PLN at the end of 2015

Fundraising

- Placing the second fund (MCI.EuroVentures) in issues supported by banks
- Foreign bonds/ EURO offshore fundraising – project launch
- New fund / possible consolidation of asset managers through PEM SA

Global online trends

investment segments within MCI's focus

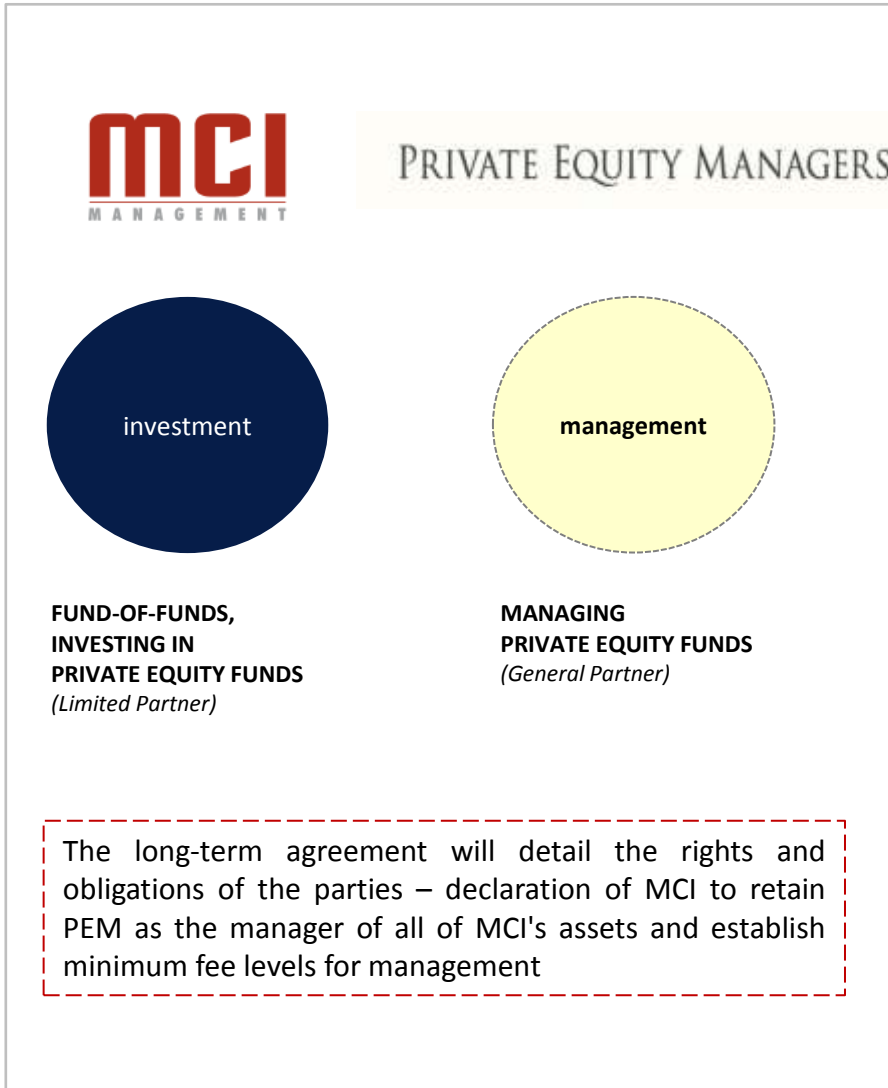
Market segment	Trend characteristic	Who will benefit (MCI companies)
MOBILE	<ul style="list-style-type: none"> By 2017 mobile devices will comprise 70% of the global personal devices market – the share of PCs will fall to 11% Only in Poland, the number of smartphones grew from 6 million in 2012 to 8 million in 2013 (+33% y/y) More and more clients going mobile means the number of companies that offer their own dedicated mobile apps is also growing 	  
CLOUD COMPUTING	<ul style="list-style-type: none"> Over 70% of all global companies are using at least one cloud-based solution Estimates show the global cloud computing market will grow to USD241 billion by 2020 – in 2011 it was worth USD40.7 billion The definite advantages of cloud-based solutions include better scalability, more effective management of complex products and cost reduction 	
SOCIAL MEDIA	<ul style="list-style-type: none"> Social media are becoming more and more widespread worldwide (Facebook and Youtube – over 1 billion users, Sina Weibo and Twitter – over 500 million users each) More and more Polish companies become engaged in social media, however the potential influence of these tools on the company's efficiency is still significant 	
E-COMMERCE E-TRAVEL	<ul style="list-style-type: none"> The share of e-travel in the whole tourist industry around the world is estimated to grow year-to-year by about 10% Estimates show that in 2013 one in three people using travel services will do it online 	

Global online trends

investment segments within MCI's focus

Market segment	Trend characteristic	Who will benefit
PAYMENTS	<ul style="list-style-type: none"> • By 2015, mobile payment users will grow to 384 million people, compared to 212 million in 2012 • Global value of mobile transactions will reach USD472 billion in 2015, compared to USD171 billion in 2012 • The most active client group are young people aged 18-39 (70% of all users) 	Potential investment targets of MCI
BIG DATA	<ul style="list-style-type: none"> • The market for big data processing grows on average by 40% a year • The big data market will grow to USD48 billion in 2015, compared to USD10 billion in 2012. • Example information exchange potential: 500 million tweets on Twitter each day means 12 TB of information going through that platform every day 	Potential investment targets of MCI
INTERNET OF THINGS	<ul style="list-style-type: none"> • Fast growth of the IoT market – the global number of connected devices will grow to 50 billion units in the year 2020, compared to 8.7 billion in 2012 • By 2020, the global economy will benefit USD14 billion from using IoT • USD750 million invested in 2012 in only 100 IoT companies 	Potential investment targets of MCI
MARKET-PLACE	<ul style="list-style-type: none"> • Nearly 66% of Internet users do shopping through marketplaces like eBay or Amazon • By the year 2015, the American e-commerce market will reach the value of about USD279 billion/ 9% CAGR • Turnover value on the European e-commerce market in 2017 will be about USD250 billion and USD430 billion on the American market • In 2013, global online sales will amount to approximately USD960 billion and will grow by 19% y/y in the following years 	Potential investment targets of MCI

IPO of PEM S.A. the management company to debut on the WSE in 2014



Why the IPO of PEM is a unique offer:

- 1. The only Trust Fund managing Private Equity on the WSE** (sector with a higher growth potential to investments in stocks and debentures)
- 2. Dividend company** – declaration of systematic annual payment of dividend
- 3. Fixed revenue growth potential proportionate to the growth of assets under management** – management of the assets of MCI and external investors (development of fundraising pipelines – in 2013 about 40 million raised from issues in only one fund / plans for issues in other funds)
- 4. Success fee collected by PEM**

Other initiatives of MCI

- MCI is a partner of Deloitte Technology Fast 50 CE ranking
- MCI is a part of the Polish edition of IBM SmartCamp
- MCI on the Economic Forum in Krynica
- 11th Annual Everest Gala 2013

Deloitte Technology Fast 50 CE



11th Annual Everest Gala 2013



Disclaimer

- This presentation does not constitute an offer in the meaning of the law.
- This presentation has been prepared based on the best knowledge of MCI Management SA and included up-to-date information on the date of its publication.

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