THE FINANCIAL SUPERVISION COMMISSION
Extended Consolidated Quarterly Report QSr 1 / 2008

(pursuant to § 86 subpar. 2 and § 87 subpar. 1 and 2 of the Minister of Finance Ordinance from October 19, 2005 – Journal of Laws No. 209, item 1744)

(for issuers of securities from the sector of manufacturing, building, sales or services)

for the 1st quarter of the accounting year 2008 covering the period from January 1, 2008 to March 31, 2008.

Date of submission May 15, 2008

Full name of issuer		**MCI Management Spółka Akcyjna**
Abbreviated name of issuer		**MCI**
Registered address of issuer		**ul. Klecińska 125, 54-413 Wrocław**
Tax Identification Number (NIP)		899-22-96-521
Statistical Office Number (REGON)		932038308
Telephone no.		+48 71 781 73 80
e-mail		biuro@mci.com.pl

Signatures of persons representing the Company:			
Name and surname		Position / Title	Signature
Tomasz Czechowicz		President of the Management Board	
Roman Cisek		Member of the Management Board	

Signatures of the person responsible for making the report			
Marcin Frączek		Signature	

1. Summary of operations and results of MCI Management SA Group Investment and Q1 2008

In the first quarter of 2008 MCI Management SA ("MCI") recorded the net unit profit of PLN 30.6 million and the net consolidated profit of PLN 28.8 million and consequently achieved over 36% of the forecast result for the whole 2008. The financial report for Q1 2008 was published on May 15, 2008.

In Q1 2008, MCI achieved the positive financial results - the net consolidated profit grew by 34% compared to Q1 2007 (PLN 21.5 million,) and the net unit result by 134% (in Q1 2007: PLN 13.1 million.) The book value of MCI assets (based on EVCA guidelines) as of March 31, 2008 was PLN 294.9 million and grew by 14.5% compared to the value of assets at the end of 2007 (PLN 257.6 million.)

The growth of the book value of MCI assets in Q1 2008 was caused by revaluation of ABC Data Holding SA in connection with the received offers of purchase of this asset and the company's planned going public, stabilization of the value of MCI funds listed on the WSE and appreciation of the rate of Bankier.pl SA. The key events in Q1 2008 in the portfolio companies included:

- ✓ Winning of the prestigious award Red Herring Europe 100 by Czech Geewa
- ✓ Preparation of DomZdrowia.pl to the launch on NewConnect
- ✓ Private placement of Hoopla.pl
- ✓ Preparation of prospective acquisitions for S4E
- ✓ Work on preparation of ABC DATA group's public offer

In Q1 2008, MCI successfully finalized an exit from investment in Technopolis for PLN 17.54 million, which represents 54% of the sum of the divestment transactions made in the whole 2007. Furthermore, by this exit MCI realized 29% of the annual plan of exits for that year (PLN 60 million.) Next exits are planned from the following companies: Bankier.pl SA (PLN 20-30 million,) ABC Data (pre-IPO for PLN 20 million) and other investments (PLN 20 million.)

MCI completed 3 investment processes in the following companies: Genomed (MidTicket in the sector of biotechnology/medical diagnostics,) Invia.cz (BigTicket in the sector of e-commerce tourism) and Belysio (MidTicket in the sector of mobile community application.) MidTicket investments are defined as investments whose value is PLN 1-10 million of the target capital commitment, whereas investments BigTicket as investments whose value is PLN 10-50 million. MCI funds consistently work on the current pipeline of investments: In MCI.EuroVentures 1.0. there are two MegaTicket transactions (PLN 50-200 million,) in MCI.TechVentures 1.0. there are two BigTicket transactions and two MidTicket and two SmallTicket investments (less than PLN 1 million) in MCI.BioVentures. Furthermore, MCI organized a TMT.Ventures conference in Kiev which enabled it to find a new, promising pipeline of investments in the Ukrainian market.

In the scope of projects strategic last quarter MCI prepared issue of bonds convertible to shares (to be completed by the end of Q2 2008) and continued the process of transfer of assets to FIZ (Q3 2008.) Furthermore, preparation work began on the Cleantechnologies fund (MCI.EcoVentures 1.0.) and the work on finalization of the HelixVentures fund whose launch is scheduled in Q3 2008) continued.

2. Selected financial data of the consolidated financial statements converted to EURO

	Q1 2008	**Q1 2007**	**Q1 2008**	**Q1 2007**
	PLN'000	**PLN'000**	**EUR'000**	**EUR'000**
Revenues from sales	313	22 440	88	5 745
Gross profit (loss) from sales	313	4 777	88	1 223
Profit (loss) before taxes	36 320	24 848	10 210	6 361
Net profit (loss)	28 781	21 422	8 090	5 484
Net cash from operations	3 656	4 385	1 037	1 133
Cash flows from investments	(2 872)	2 795	(815)	722
Cash flows from financial operations	(1 122)	(158)	(318)	(41)
Net increase / (decrease) in cash and its equivalents	(89)	7 022	(25)	1 815
Assets in total	299 342	133 213	84 900	34 426
Long-term liabilities	85 143	20 590	24 149	5 321
Short-term liabilities	14 745	33 239	4 182	8 590
Equity capital	199 454	79 384	56 570	20 515
Share capital	40 823	39 970	11 578	10 329
Number of shares (pcs.)	40 823 000	39 970 000	40 823 000	39 970 000
Profit (loss) per one ordinary share (in PLN / EUR)	0,71	0,54	0,20	0,14
Book value per one share (in PLN / EUR)	4,89	1,99	1,39	0,51

3. Quarterly Consolidated Financial Statements of Issuer for Q1 2008

3.1. Consolidated Profit and Loss Account

	Q1 2008 for the period 01.01.2008 31.03.2008 PLN'000	Q1 2007 for the period 01.01.2007 31.03.2007 PLN'000
Continued operations		
Revenues from sales	313	22 440
Own cost of sales	-	(17 663)
Gross profit (loss) on sales	313	4 777
Costs of sales	-	(794)
Costs of general management	(7 757)	(4 551)
Other operating revenues	211	373
Other operating costs	(223)	(1 180)
Share in profits of associated companies	-	(1 076)
Profits (losses) from investments	58 777	3 294
Other profits (losses) from investments	(1 048)	24 595
Profit (loss) on operations	50 273	25 438
Financial costs - net	(2 054)	(590)
Depreciation of goodwill		-
Loss connected the loss of control/significant influence in a subsidiary	(11 899)	-
Profit (loss) before taxes	36 320	24 848
Income tax	(7 853)	(3 396)
Net profit (loss)	28 467	21 452
Attributed to:		
Shareholders of parent company	**28 781**	**21 422**
Minority shareholders	(314)	30
	28 467	21 452
Profit (loss) per one share		
Basic	0,705	0,536
Diluted	0,641	0,500

3.2. Consolidated Balance Sheet

	As of 31.03.2008 end of Q1 2008	As of 31.12.2007 end of Q4 2007	As of 31.03.2007 end of Q1 2007	As of 31.12.2006 end of Q4 2006
	PLN'000	PLN'000	PLN'000	PLN'000
Fixed assets				
Intangible fixed assets	290	547	2 153	885
Goodwill	-	1 174	8 340	8 937
Tangible fixed assets	230	606	2 234	2 178
Investments in associated entities consolidated with the use of equity method	-	4 829	6 370	7 213
Other investments in associated entities	148 601	22 615	28 133	27 800
Deferred income tax assets	7 160	12 684	2 021	2 121
Trade and other receivables	116	116	6 919	2 188
Other assets	76 882	95 085	11 312	9 289
	233 279	137 656	67 482	60 611
Current assets				
Inventories	-	6	3 469	2 379
Trade receivables and other receivables	9 295	10 163	18 560	42 659
Other financial assets	27 886	815	25 651	759
Cash and its equivalents	5 443	7 300	18 051	11 029
	42 624	18 284	65 731	56 826
Fixed assets for sale	23 439	248 969	-	-
Total assets	**299 342**	**404 909**	**133 213**	**117 437**

3.2. Consolidated Balance Sheet cont.

	As of 31.03.2008 end of Q1 2008	As of 31.12.2007 end of Q4 2007	As of 31.03.2007 end of Q1 2007	As of 31.12.2006 end of Q4 2006
	PLN'000	PLN'000	PLN'000	PLN'000
Equity capital				
Share capital	40 823	40 494	39 970	39 267
Supplementary capital	30 424	28 820	23 290	23 228
Reserve capital	12 084	6 497	154	154
Reserve capital from revaluation	12 547	-	-	-
Profit (loss) retained from previous years	74 788	(2 870)	(7 932)	(38 855)
Net profit from the reporting period, including:	28 781	77 250	21 422	29 348
Capitals attributed to the shareholders of the parent company	199 447	150 191	76 904	53 142
Shares of the minority shareholders	7	20 982	2 480	1 476
Total equity capitals	199 454	171 173	79 384	54 618
Long-term liabilities				
Bank loans and credits	-	-	213	99
Bonds	53 788	58 207	16 483	16 519
Deferred income tax liabilities	25 625	6 696	3 788	3 795
Long-term provisions	17	20 871	18	22
Long-term liabilities for finance leasing	7	-	88	79
	79 437	85 774	20 590	20 514
Short-term liabilities				
Trade liabilities and other liabilities	5 671	2 533	25 361	37 621
Liability for employees' performances	-	-	-	339
Liability for income tax	-	-	284	257
Short-term liabilities for purchase of shares	-	-	-	102
Short-term liabilities for finance leasing	4	-	134	164
Short-term bank loans and credits	9 070	10 606	1 882	2 017
Short-term provisions	-	-	5 578	1 805
	14 745	13 139	33 239	42 305
Liabilities connected with assets for sale	5 706	134 823	-	-
Total equity and liabilities	**299 342**	**404 909**	**133 213**	**117 437**

3.3. Movements in consolidated equity capital

	Q1 2008 for the period 01.01.2008 31.03.2008	Q1 2007 for the period 01.01.2007 31.03.2007
	PLN'000	PLN'000
Share capital		
As of the beginning of the period	40 494	39 267
Issue of shares connected with conversion of bonds	329	703
As of the end of the period	**40 823**	**39 970**
Supplementary capital		
As of the beginning of the period	28 820	23 228
- surplus of the share issue price above nominal price	-	28
- issue of shares connected with conversion of bonds	1 645	34
- costs of issue of shares in the managers' options plan	(41)	-
As of the end of the period	**30 424**	**23 290**
Reserve capital		
As of the beginning of the period	6 497	154
Costs of the managers' options plan	5 587	-
As of the end of the period	**12 084**	**154**
Reserve capital from revaluation		
As of the beginning of the period	-	-
Revaluation to the fair value of financial assets	12 547	-
As of the end of the period	**12 547**	**-**
Unsettled result from previous years		
As of the beginning of the period	**(2 870)**	**(38 855)**
Financial result of the capital Group for previous period	77 250	29 348
Adjustments of financial results of the companies consolidated between Q4 and annual report	408	1 575
As of the end of the period	**74 788**	**(7 932)**
Net profit		
As of the beginning of the period	77 250	29 348
Transfer of financial result for previous period	(77 250)	(29 348)
Financial result of current period	28 781	21 422
As of the end of the period	**28 781**	**21 422**
Shares of minority shareholders		
As of the beginning of the period	20 982	1 476
Increase/decrease	(20 975)	1 004
As of the end of the period	**7**	**2 480**
Total equity capitals		
As of the beginning of the period	**171 173**	**54 618**
As of the end of the period	**199 454**	**79 384**

3.4. Consolidated Cash Flow Statement

	Q1 2008 for the period 01.01.2008 31.03.2008	Q1 2007 for the period 01.01.2007 31.03.2007
	PLN'000	PLN'000
Net cash from operations		
Cash inflows (expenses) from operations	3 748	4 475
Interest paid	(92)	63
Income tax paid	-	(153)
Net cash flows from operations	3 656	4 385
Cash flows from investment operations		
Interest received	619	103
Inflows from sale of short-term securities	506	-
Inflows from sale of related entities	26 952	2 151
Inflows from sale of fixed assets	-	246
Expenses on purchase of fixed assets	(1 197)	(6)
Expenses on purchase of stocks and shares in related companies	(34 487)	(408)
Other investment inflows and expenses	4 735	646
Inflows from issue of the share capital	-	63
Net cash from investment operations	(2 872)	2 795
Cash flows from financial operations		
inflows from issue of the share capital		
Repayment of loans	-	(667)
Repayment of liabilities for finance leasing	(10)	(71)
Other interest paid	(1)	-
Interest paid on bonds	(352)	-
Taking/repayment of bank credits and loans	(1 048)	-
Movement of credits on current account	-	580
Other	289	-
Net cash from financial operations	(1 122)	(158)
Adjustment connected with assets for sale	249	
Increase /(decrease) of net cash and its equivalents	(89)	7 022
Opening balance of cash and its equivalents	5 532	11 029
Closing balance of cash and its equivalents	**5 443**	**18 051**

4. Abbreviated Quarterly Unit Financial Statements of Issuer for Q1 2008

4.1. Selected financial data converted to EURO

	Q1 2008 PLN'000	Q1 2007 PLN'000	Q1 2008 EUR'000	Q1 2007 EUR'000
Revenues from sales	62	28	17	7
Profit (loss) from operations	35 629	16 411	10 015	4 201
Profit (loss) before taxes	35 309	16 093	9 926	4 120
Net profit (loss)	30 620	13 079	8 607	3 348
Net cash from operations	2 126	(6 439)	598	(1 648)
Cash flows from investments	(1 459)	9 569	(414)	2 473
Cash flows from financial operations	(1 573)	57	(446)	15
Net increase / (decrease) in cash and its equivalents	(906)	3 187	(257)	824
Assets in total	294 926	182 021	83 648	47 040
Long-term liabilities	72 734	32 712	20 629	8 454
Short-term liabilities	15 313	1 651	4 343	427
Equity capital	206 879	147 658	58 676	38 159
Share capital	40 823	39 970	11 578	11 336
Number of shares (pcs.)	40 823 000	39 970 000	40 823 000	39 970 000
Profit (loss) per one ordinary share (in PLN / EUR)	0,75	0,33	0,21	0,08
Book value per one share (in PLN / EUR)	5,07	3,69	1,44	0,95

4.2. Profit and Loss Account

	Q1 2008 for the period 01.01.2008 31.03.2008 PLN'000	Q1 2007 for the period 01.01.2007 31.03.2007 PLN'000
Continued operations		
Revenues from sales	62	28
Own cost of sales	-	
Gross profit (loss) on sales	62	28
Profit (loss) on investments	42 123	17 103
Costs of sales	-	-
Costs of general management	(6 588)	(694)
Other operating revenues	297	156
Other operating costs	(265)	(182)
Share in profits of entities consolidated with the use of equity method	-	-
Other profits (losses) from investments	-	
Profit (loss) on operations	35 629	16 411
Financial costs - net	(320)	(318)
Profit (loss) before taxes	35 309	16 093
Income tax	(4 689)	(3 014)
Net profit (loss)	30 620	13 079

4.3. Balance Sheet

	As of 31.03.2008 end of Q1 2008 PLN'000	As of 31.12.2007 end of Q4 2007 PLN'000	As of 31.03.2007 end of Q1 2007 PLN'000	As of 31.12.2006 end of Q4 2006 PLN'000
Fixed assets				
Tangible fixed assets	221	222	3	3
Intangible fixed assets	290	205	85	228
Investments in subsidiaries	232 198	93 572	51 644	42 578
Investments in associated entities	14 785	46 051	94 214	85 955
Investments in entities for sale	-	81 969	-	-
Investments in other entities, including parent company	1	1	1	1
Deferred income tax assets	7 160	6 711	1 299	1 514
Trade and other receivables	114	114	315	331
Other financial assets	9 000	9 000	9 000	9 150
	263 769	**237 845**	**156 561**	**139 760**
Current assets				
Inventories	-	-	-	-
Trade receivables and other receivables	9 466	15 093	13 725	6 561
Other financial assets	-	511	-	-
Cash and its equivalents	3 232	4 139	11 735	8 548
	12 698	**19 743**	**25 460**	**15 109**
Fixed assets for sale	**18 459**	-	-	-
	294 926	**257 588**	**182 021**	**154 869**

4.3. Balance Sheet cont.

	31.03.2008 PLN'000	31.12.2007 PLN'000	31.03.2007 PLN'000	31.12.2006 PLN'000
Equity capital				
Share capital	40 823	40 494	39 970	39 267
Supplementary capital	30 424	28 820	23 618	23 555
Reserve capital from revaluation	12 547	16 431	68 142	59 228
Other reserve capitals	12 084	6 497	154	154
Own shares (stocks)	-	-	-	-
Profit (loss) retained from previous years	80 381	-	2 695	(22 816)
Net profit from the reporting period	30 620	78 864	13 079	25 511
Capitals attributed to the shareholders of the parent company	**206 879**	**171 106**	**147 658**	**124 899**
Shares of the minority shareholders	-	-	-	-
Total equity capitals	**206 879**	**171 106**	**147 658**	**124 899**
Long-term liabilities				
Bank loans and credits	-	-	90	99
Bonds convertible to shares	2 292	6 739	10 092	9 513
Bonds	50 393	50 000	-	-
Deferred income tax liabilities	20 025	16 148	22 512	17 622
Long-term provisions	17	17	18	22
Long-term liabilities for finance leasing	7	-	-	1
	72 734	**72 904**	**32 712**	**27 257**
Short-term liabilities				
Trade liabilities and other liabilities	1 541	1 401	376	706
Bonds convertible to shares	29	1 076	234	962
Bonds	1 074	393	-	-
Liability for purchase of shares	3 666	202	102	-
Liability for income tax	-	-	-	-
Short-term liabilities for finance leasing	3	1	4	4
Short-term bank loans and credits	9 000	10 505	935	939
Short-term provisions	-	-	-	-
	15 313	**13 578**	**1 651**	**2 713**
Total equity and liabilities	**294 926**	**257 588**	**182 021**	**154 869**

4.4. Movements in equity capital

	As of 31.03.2008 end of Q1 2008 PLN'000	As of 31.03.2007 end of Q1 2007 PLN'000
Share capital		
As of the beginning of the period	40 494	39 267
Increases		
- issue of shares to convert bonds convertible to shares	329	7
- increase of capital tranche III of managers' options 2004-2006	-	696
As of the end of the period	**40 823**	**39 970**
Supplementary capital		
As of the beginning of the period	28 820	23 555
Increases		
- issue of shares to convert bonds convertible to shares	1 645	35
- surplus of the share issue price above nominal price	-	28
Decreases		
- costs of issue of shares in the managers' options plan	(4)	-
- costs of issue of bonds convertible to shares	(37)	-
As of the end of the period	**30 424**	**23 618**
Reserve capital from revaluation		
As of the beginning of the period	16 431	59 228
Increases		
- revaluation of financial assets	19 343	8 914
Decreases		
- revaluation of financial assets	(23 227)	-
As of the end of the period	**12 547**	**68 142**
Other reserve capitals		
As of the beginning of the period	6 497	154
Increases		
- Costs of the managers' options plan	5 587	-
As of the end of the period	**12 084**	**154**
Unsettled result from previous years		
As of the beginning of the period	-	(22 816)
Division of financial result of previous periods	80 381	25 511
As of the end of the period	**80 381**	**2 695**
Net profit		
As of the beginning of the period	80 381	25 511
Division of financial result of previous years	(80 381)	(25 511)
Financial result generated in the reporting period	30 620	13 079
As of the end of the period	**30 620**	**13 079**
Shares of minority shareholders		
As of the beginning of the period		
As of the end of the period	**-**	**-**
Total equity capitals		
As of the beginning of the period	172 623	124 899
As of the end of the period	**206 879**	**147 658**

4.5. Cash Flow Statement

	As of 31.03.2008 end of Q1 2008 PLN'000	As of 31.03.2007 end of Q1 2007 PLN'000
Net cash from operations		
Cash inflows from operations	2 218	(6 436)
Interest paid	(92)	(3)
Income tax paid	-	-
Net cash flows from operations	**2 126**	**(6 439)**
Cash flows from investment operations		
Interest received	607	158
Inflows from sale of short-term securities	506	
Inflows from sale of related entities	27 582	11 252
Inflows from sale of fixed assets	-	130
Other inflows from financial assets	5 435	3 646
Expenses on purchase of fixed assets	(292)	(14)
Expenses on purchase of stocks and shares in related companies	-	(768)
Purchase of short and long-term securities	-	
Other investment expenses	(700)	(4 835)
Expenses on purchase of subsidiaries	(34 597)	
Net cash from investment operations	**(1 459)**	**9 569**
Cash flows from financial operations		
Dividends paid	-	-
Net inflows from issue of shares and other capital instruments as well as additional payments to capital	289	63
Repayment of credits and loans	(1 500)	(5)
Repayment of liabilities for finance leasing	(10)	(1)
Interest paid on bonds convertible to shares	(352)	-
Net cash from financial operations	**(1 573)**	**57**
Increase /(decrease) of net cash and its equivalents	**(906)**	**3 187**
Opening balance of cash and its equivalents	4 138	8 548
Movement of the cash level due to exchange rate differences	-	-
Closing balance of cash and its equivalents	**3 232**	**11 735**

DESCRIPTIVE PART

Notes to the Consolidated Quarterly Report for Q1 2008 of MCI Management SA Capital Group

1. Accounting principles and methodology

Accounting principles

The consolidated financial statements for the financial year from 01.01.2005 to 31.12.2005 were the first financial statements made in compliance with the International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and their Interpretation published in the form of decrees of the European Commission (hereinafter referred to as IAS and jointly accepted accounting principles to be applied in the European Union.)

Consolidation

Subsidiaries

Subsidiaries include all entities whose financial and operational policy can be managed by MCI Management S.A. which is usually connected with holding the majority of the total number of votes in the governing bodies. When assessing whether MCI fund controls a given entity, it is considered whether there is potential influence of the voting rights which at a given moment can be realized and if so how big it is. Subsidiaries are subject to full consolidation from the date when the control over them is taken over by MCI until the moment when the control is ceased.

As of the day of purchase the assets and liabilities of the subsidiary which is taken over are valued according to their purchase price. The surplus of the purchase price over the fair value of the identifiable net assets of the subsidiary which is taken over is recognized as goodwill. If the difference between the fair value and the net book value in insignificant, the book value of the net assets of the subsidiary is considered their fair value. In the case when the purchase price is lower than the fair value of the identifiable net assets of the subsidiary which is taken over, the difference is recognized as profit in the profit and loss account for the period in which the purchase took place. The share of the minority shareholders is recognized in appropriate proportion of the fair value of assets and capitals. In the following periods the losses attributed to the minority shareholders over the value of their shares decrease the capitals of the parent company.

Associated companies

Associated companies include all entities significantly influenced by MCI which are not, however, controlled by MCI. An entity is significantly influenced usually in the case of holding 20-50% of the total number of votes in the governing bodies. The investments in associated companies are settled with the use of equity method and recognized initially according to the cost of purchase. An investment in associated companies includes goodwill reduced by possible accumulated impairment write-downs calculated as of the day of purchase.

The stocks and shares held by the parent company – a venture capital fund, an organization managing a high risk capital – initially qualified as working investments for trading are recognized according to IAS 39. These investments are valued at their fair value and the changes of the fair value are recognized in the profit or loss in the period when they took place.

The consolidated financial statements include the financial statements of the parent company – MCI Management S.A. as well as the statements of the entities which are controlled by MCI made as of a specific balance day each year.

The financial results of entities purchased or sold over the year are recognized in the consolidated financial statements from/until the moment of their purchase or sale, as applicable.

All transactions, balances, revenues and costs between related entities covered by consolidation are subject to consolidation exclusions.

Revenues from sales

Revenues from sales are recognized at their fair value of payments received or due and they represent the receivables for products, goods and services delivered within regular business operations after reductions by rebates, VAT and other taxes connected with sale.

Revenues from sale of goods are recognized at the moment of delivery of the goods and transfer of ownership right.

Revenues from sale of services are recognized in the period when the services are provided based on the degree of how advanced a specific transaction is, which is calculated on the basis of the actually performed works compared to all works to be performed.

In the case when the inflow of cash from sales is deferred, the fair value of payment is calculated by discounting future inflows by the calculation interest rate established at the level of WIBOR + 5%. The difference between the fair and nominal value of payment is recognized as revenues from interest.

Leasing

Leasing is classified as finance leasing when the terms and conditions of the agreement transfer basically all potential benefits and risk arising from being an owner to the lessee. All other types of leasing are considered operating leasing.

The assets used on the basis of the finance leasing agreement are considered assets of the Capital Group and valued at their fair value at the moment of their purchase, however, not higher than the current value of minimum leasing fees. The consequent liability toward lessor is presented in the balance sheet in the position of liabilities for finance leasing. The leasing payments are divided into interest and principal so that the interest rate on the remaining liability is a permanent value. The financial costs are referred to in the profit and loss account.

The leasing fees paid within operating leasing charge the costs in a straight line method over the leasing period or the period of use in the case when it is certain that lessee shall obtain the ownership title before the end of a leasing period.

Foreign currencies

Transactions carried out in the currency other than Polish zloty are recognized at the exchange rate applied on the transaction day. As of balance day cash assets and liabilities denominted in foreign currencies are converted according to the exchange rate applied on that day. Profits and losses from this conversion are referred directly to the profit and loss account except cases when they are generated as a result of valuation of non-cash assets and liabilities in which case the changes of the fair value are referred directly to capital.

Employees' performances

The amounts of short-term performances for employees other than those for the termination of the employment relation and capital performances are recognized as a liability after taking account of all amounts already paid and at the same time as the cost of the period unless the performances should be recognized at the cost of creation of an asset.

The employees' performances in the form of paid absences are recognized as a liability and cost at the moment of performing work by employees - if the performed work causes an increase of possible paid absences or at the moment of their occurrence - if there is no connection between work and an increase of possible future paid absences.

A performance for the termination of the employment relation is recognized as a liability and cost when the employment relation with the employee (or a group of employees) was terminated before they reach retirement age or when the performance for the termination of the employment relation was assured as a result of a proposal made by the entity encouraging to voluntary retirement.

The employees' capital performances include performances in such forms as stocks/shares, options for own shares and other capital instruments issued by the entity as well as cash payments whose level depends on the future market price of the shares/stocks of the entity.

The fair value of work performed by employees instead of receiving options increases costs. The total amount settled in costs over the period of gaining the rights by the employees to realize options is calculated on the basis of the fair value of granted options except for the influence of any possible unconnected with the capital market (non-market) conditions of gaining the rights (e.g. goals to be achieved in the scope of profitability and growth of sales.) The non-market conditions of gaining the rights to be realized are taken into account in the assumptions as to the expected number of options which can be realized. In the case of options whose realization is based on the non-market conditions, the entity verifies its estimates for each balance day. The influence of possible verification of original estimates is recognized in the profit and loss account in correspondence with equity capital over the remaining period of gaining the rights to realize options.

The revenues gained from realization of options (reduced by the costs of transaction directly connected with the realization) are referred to the share capital (nominal value) and the reserve capital from the sale of shares above their nominal values.

The companies from MCI Management S.A. Capital Group do not offer their employees any programs regarding performances after their employment.

The companies from the Group have remuneration programs based on and regulated by shares. MCI Group adjusted the books to the requirements of IFRS 2. According to the transitional regulations, the requirements of IFRS 2 were applied in reference to the programs of payments by capital instruments which began after November 7, 2002 whose all conditions allowing for unconditional realization of the rights by their beneficiaries were not realized by January 1, 2005.

The programs of payments by capital instruments are addressed to selected employees of the companies of MCI fund and MCI Management S.A. These programs can have two forms of settlement – delivery of capital instruments or cash settlement.

The programs settled by delivery of capital instruments are valued according to the fair value at the moment of their beginning. The fair value established this way is settled in costs over the period from the beginning of the program to the moment when all conditions allowing for obtaining the unconditional right to acquire the capital instruments are fulfilled by its participants. The fair value referred to in costs is additionally corrected on the basis of forecasts as to the actual possibility of realization of the rights to capital instruments.

The fair value is established with the use of forecast models whose selection and detailed implementation depends on the specificity of the program. The expected period from the moment of realization of an instrument used in the model is corrected on the basis of the best estimates of the management board, the effect of the lack of possible realization of an instrument, restrictions in its realization and behavioral aspects.

In the case of programs providing cash settlements, the liability equal to the lots of goods delivered or services performed is recognized according to the fair value established for each balance day.

Taxes

The obligatory burdens of the result include: current tax and deferred tax.

The current tax burdens are calculated on the basis of the tax result (tax base) in a given reporting year. Tax profit (loss) differs from net book profit (losses) in connection with the exclusion of taxable profits and costs which are costs of revenues in the next years as well as the costs and revenues which will never be subject to taxation. The tax burdens are calculated on the basis of tax rates applicable in a given reporting year.

The deferred tax is calculated with the use of balance method as tax payable or refundable in the future from differences between balance sheet values of assets and liabilities and their corresponding tax values used to calculate the tax base.

The provision for deferred tax is created from all positive taxable temporary differences, whereas an asset from deferred tax is recognized up to the level at which it is likely to decrease future tax profits by recognized negative temporary differences. The position of assets or tax liability does not arise if a temporary difference arises from goodwill or from the original recognition of another asset or liability in a transaction which has no influence on tax or accounting result.

The reserve for deferred tax is recognized from temporary tax differences created as a result of investment in subsidiaries and associated companies as well as joint ventures unless MCI fund is able to control the moment of the reversion of temporary differences and it is likely that the temporary difference will not change in the foreseeable future.

The value of an asset from deferred tax is subject to analysis on each balance day and in the case when the expected future tax profits prove insufficient to realize the asset or its part, it is written down.

The deferred tax is calculated with the use of tax rates which apply at the moment when the position of assets is realized or liability becomes due. The deferred tax is recognized in the profit and loss account except when it regards the positions recognized directly in equity capital. In that last case the deferred tax is also settled directly in equity capital.

Significant value provisions for deferred tax are generated through temporary tax differences created as a result of revaluation of investments in subsidiaries and associated as well as joint ventures according to fair value. The provisions regard to both the investments whose changes of fair value are settled by the financial result and capital from revaluation.
The above has a very big impact on the level of recognized profit, capital from revaluation and provisions for deferred tax.

Tangible fixed assets

The tangible fixed assets are initially recognized according to the cost (purchase price or cost of creation) decreased in subsequent periods by amortization write-offs and impairment of value.

The costs of external financing directly connected with the purchase or creation of assets requiring longer periods to become usable or can be resold are added to the costs of creation of such fixed assets until the moment when these fixed assets are delivered for use. The revenues from investments gained from short-term investments of gained means and connected with the creation of fixed assets decrease the value of capitalized costs of external financing.

Amortization is calculated for all fixed assets except for land and fixed assets under construction over the estimate period of economic usability of these assets with the use of the straight line method applying the following annual amortization rates:

Buildings and structures	4%
Machinery and technical equipment, means of transportation and other	10% - 30%

Assets maintained on the basis of the finance leasing agreement are amortized over the period of their economic usability respectively as own assets, however, not longer than the leasing period.

Profits or losses from sale / liquidation or ceasing to use fixed assets are determined as the difference between revenues from sales and the net value of these fixed assets and they are recognized in the profit and loss account.

Intangible fixed assets

Goodwill created at consolidation results from the surplus as of the purchase day of the entity purchase cost over fair value of identifiable assets and liabilities of the subsidiary, associated company or joint venture as of the purchase day.

Goodwill is recognized as an asset and at least once a year is subject to analysis as to impairment. Possible impairment is recognized at once in the profit and loss account and it is not reversed in next periods.

When selling a subsidiary, associated company or joint venture the applicable part of goodwill is taken into account to calculate the profit or losses from sale.

Goodwill created before the date of the change of the principles to IFRS was included in the books according to the value recognized according to earlier applied accounting principles and was subject to the impairment test as of the day of shift to IFRS.

The development costs are capitalized only in the situation when a strictly specific project is carried out, it is probable that an asset will bring future economic benefits and the costs connected with the project may be reliably estimated.

The development costs are amortized with the straight line method by over the expected period of their economic usability.

In the case when it is impossible to separate an asset created by an entity on its own, the costs development costs are recognized in the profit and loss account in the period when they were incurred.

The research costs are not subject to activation and are presented in the profit and loss account as costs in the period when they were incurred.

The purchased licenses for computer software are activated in the amount of costs incurred for purchase and preparation of a given computer program for use. The activated cost is written down over the estimated period of use of software not longer than 3 years.

Impairment

The Capital Group companies review the net value of fixed assets for every balance day in order to check if there are indications of their possible impairment. In the case when there are such indications, the realizable value of a given asset is estimated to establish its possible write-down. In a situation when an asset does not generate cash flows which are to a large extent independent of the cash flows generated by other assets, the group of assets generating cash flows to which a given asset belongs is analyzed.

In the case of intangible assets with unknown period of use, the impairment test is performed every year and additionally when there are indications of their possible impairment.

The realizable value is calculated as an amount higher of the two values: fair value decreased by costs of sale or usable value. The last value corresponds to the current value of the estimated future cash flows discounted with the use of the discount rate taking into account the current market value of money in time as well as the risk specific for a given asset.

If the realizable value is lower than the net book value of an asset (or a group of assets), the book value is decrease to the realizable value. The loss due to impairment is recognized as cost in the period when it occurred except the situation when an asset was recognized in the post-revaluation amount (then the impairment is considered as a decrease of earlier revaluation.)

At the moment when impairment is reversed, the net value of an asset (or a group of assets) is increased to the newly estimated realizable value, however, not higher than the net value of that asset which would have been established if impairment had not been recognized in previous years. The reversion of impairment is recognized in revenues as long as an asset was not subject to earlier revaluation – in such a case the reversion of impairment is referred to the capital from revaluation.

Fixed assets for sale

Fixed assets (and groups of net assets for sale) classified for sale are valued at the lower of the following two amounts: balance value or fair value reduced by the costs connected with sale.

Fixed assets and groups of net assets are classified for sale if their balance value is realized as a result of transactions of sale rather than their further continued use. This condition is considered fulfilled only when the probability of occurrence of transactions of sale is very high and an asset (or a group of net assets for sale) is available in its present state for immediate sale. The classification of an asset for sale assumes the intent of the company management to complete the transaction of sale during the year from the moment of change of classification.

Inventories

The initial value (cost) of inventories includes all costs (purchase, creation and other) incurred in connection with bringing the inventories to their current place and condition. The purchase price of inventories covers the purchase price increased by import customs and other taxes (impossible to recover later from tax authorities), costs of transport, loading, unloading and other costs directly connected with obtaining inventories decreased by discounts, rebates and other similar decreases.

Inventories are valued at initial value (purchase price or cost of creation) or at net sale price whichever is lower. The net sale price corresponds to the estimated sale price reduced by all costs necessary to complete the production and costs of bringing the inventories to sale or finding a purchaser (that is costs of sale, marketing, etc.)

In reference to inventories which are not mutually exchangeable as well as goods and services performed and designated for carrying out specific undertakings, the cost of inventories is established with the use of method of detailed identification of individual costs. This method consists in assigning a specific cost (initial value) to individual position of inventories. In reference to other inventories the cost is established with the use of the “first in, first out” (FIFO) method.

Financial instruments

The financial assets and liabilities are recognized in the balance sheet of the Capital Group at the moment when MCI Group companies become a party to a binding agreement.

Trade receivables

Trade receivables are not an instrument generating interest and they are valued in the books at their nominal value adjusted by relevant write-downs of doubtful receivables.

Investments in securities

In the case when market convention provides for delivery of a security after elapse of a specifically defined period of time after transaction date, investments in securities are recognized in the books and excluded from the books on the day when the transaction of purchase or sale is concluded. Investments in securities are initially valued at purchase price adjusted by the costs of transaction.
MCI Management S.A. applies a uniform policy of valuation of its companies.
Investments in securities classified for trading or available for sale are valued as of balance day at their fair value. In the case when securities were classified for trading, profits and losses which result from the change of the fair value are recognized in the profit and loss account for a given period. In the case of assets available for sale, the profits and losses which result from the change of the fair value are recognized directly in capitals, until the moment of sale of an asset or moment of recognition of impairment. Then the accumulated profits or losses recognized previously in capitals are transferred to the profit and loss account for a given period.
The Management Board of MCI may decide to assign for sale some of all shares it holds. In the case when such a decision is made initially such an asset is valuated in the amount lower than its carrying amount and fair value decreased by the costs of purchase (unless they are insignificant,) whereas later changes of this amount are recognized in profit or loss for the period in which they were incurred.
In the case of consolidation of assets the rules of exclusions are applied in individual methods.

Financial liabilities and capital instruments

Financial liabilities and capital instruments are classified depending on their economic content arising from concluded agreements. A capital instrument is an agreement providing the right to share in assets of the Group companies reduced by all liabilities.

Bank credits

Bank credits bearing interest (also including credits in current account) are recognized in the amount of gained revenues decreased by direct costs of obtaining means. The financial costs including commissions paid at the moment of repayment or depreciation and the direct costs of taking credits are recognized in the profit and loss account on accrual basis and they increase the book value of the instrument taking into account the payments made in the current period.

Convertible debt instruments

The convertible debt instruments are complex financial instruments containing both the obligation and capital element. At the moment of issue the fair value of the obligation part is established with the use of market interest rate applicable for similar obligations without option of conversion into shares. The difference between the amount of means gained from issue of convertible debt instruments and the fair value of the obligation element representing the embedded option of conversion of liabilities into shares in the company capital is recognized in capitals.

The costs of interest regarding the obligation element are calculated for the amount of the obligation element with the use of market interest rate applicable for similar obligations without option of conversion into shares. The difference between the cost of interest calculated in this way and the amount of interest actually paid increases the book value of the convertible debt instrument.

The financial liability for issue of bonds is valued according to the amortized cost with the use of effective interest rate method. In the case of a change of the estimation of payments made and received, the balance value of a financial liability is corrected so that the value would reflect the actual and verified estimated cash flows. The change of the current value of future expected cash flows is recognized as revenues or costs in the profit and loss account.

Trade liabilities

Trade liabilities are not an instrument bearing interest and they are recognized in the balance sheet at their nominal value.

Capital instruments

Capital instruments issued by MCI Group companies are recognized at the value of gained revenues decreased by direct costs of issue.

Provisions for liabilities

Provisions for liabilities are created in the case when Group is obligated (legally or customarily) due to past events and it is likely that the fulfillment of the obligation will cause an increase of resources reflecting economic benefits of the company and the amount of liability can be reliably estimated. No provisions are created for future operating losses.

Provisions for costs of restructuring are recognized only when the company notified all parties concerned of the detailed and formal turnaround plan.

2. Composition of the Capital Group

On March 31, 2008 the MCI Management S.A. Capital Group is composed of the following entities:

- MCI Management SA - parent company, company managing private equity and venture capital closed-end investment funds

MCI Group subsidiaries:
- Technopolis Sp. z o.o. – repurchase of JTT Computer SA assets,
- Microtech International Ltd. Sp. z o.o. – company conducting research and development, design, production and implementation work in electronics, automation and IT – excluded from consolidation on the basis of temporary control
- MCI Capital TFI SA – Association of investment funds
- MCI.BioVentures Sp. z o.o. – seed capital fund investing in biotechnology sector companies
- ABC Data Holding SA – special purpose vehicle which made investments in the companies from Actebis Holding GmbH group – excluded from consolidation on the basis of temporary control
- MCI Fund Management Sp. z o.o. – company from MCI Management SA investment group which is the general partner of MCI Fund Management Spółka z ograniczoną odpowiedzialnością MCI.PrivateVentures Spółka komandytowo-akcyjna
- MCI Fund Management Spółka z ograniczoną odpowiedzialnością MCI.PrivateVentures Spółka komandytowo-akcyjna – company from MCI Management SA investment group set up to transfer the financial assets to MCI.PrivateVentures Closed-End Investment Fund of Non-Public Assets.

MCI Group associated companies qualified as investments for trading excluded from consolidation and valuated in their fair value:

- Bankier.pl SA – financial portal, advisor and broker of financial services through the Internet
- Fine Pharm Sp. z o.o. – company operating in the biotechnology and pharmaceutical products markets
- Grupa Lew Sp. z o.o. – operator of electronic points of sales, distributor of pre-paid cards and pre-paid electronic codes
- Fin Skog SA – comprehensive GIS services and solutions
- Nexcom Netherlands Holding BV - special purpose vehicle which invested in Nexcom Bulgaria LLC
- Travelplanet.pl SA - sale of tourism, flight tickets, hotels and tourist coupons with the use of the Internet and Call Center,
- One-2-One SA - integrator of m-commerce mobile solutions integrator for the media,

Nexcom Netherlands Holding BV subsidiary:
- Nexcom Bulgaria LLC – operator of broadband network Wi-Fi access to the Internet in WiMAX technology covering the territory of Bulgaria.

MCI.BioVentures Sp. z o.o. associated company:
- Genomed Sp. z o.o. –DNA sequencing analysis used in medical molecular diagnostics, industry, science and forensic medicine.

Entities covered by consolidation apply the same methods of valuation and making the financial statements.

3. Average exchange rates of PLN/EUR published by the National Bank of Poland (NBP)

	Average exchange rate in the period	*Minimum exchange rate in the period*	*Maximum exchange rate in the period*	*Exchange rate on last day of the quarter*
Q1 2007	3.9063	3.8270	3.9385	3.8695
Q1 2008	3.5574	3.5204	3.6577	3.5258

In the periods covered by the financial statements the following principles were applied in calculations of selected financial positions converted to EURO:

- net revenues from sale of goods, products and materials, profit from operations, gross and net profit was calculated assuming the average exchange rate of EURO acc. to NBP table acc. to average exchange rate for the last day of individual months in the quarter,
- assets, equity and liabilities as well as cash flows were calculated with the use of exchange rate of EURO acc. to the last day of the quarter.

4. Description of significant achievements or failures of the Company in the period covered by the report, indicating most important events regarding them

On January 16, 2008, the Management Board of MCI Management S.A. informed that in connection with entering of MCI.Private.Ventures Closed-End Investment Fund with two separate subfunds MCI.EuroVentures 1.0 and MCI.TechVentures 1.0 to the register of the investment funds held by the Circuit Court in Warsaw, Registration Civil Division VII, the shares and stocks held by MCI Capital TFI SA were contributed to MCI.PrivateVentures FIZ respectively to the portfolio of subfund MCI.EuroVentures 1.0 or the portfolio of subfund MCI.TechVentures 1.0 in following was:
The composition of MCI.TechVentures 1.0 subfund portfolio:

1) 210,000 shares of Travelplanet.pl SA - the shares represent 9.69% of the share capital of Travelplanet.pl SA
2) 724,444 shares of S4E SA - the shares represent 42.95% of the share capital of S4E SA
3) 620,000 shares of One-2-One SA - the shares represent 9.37% of the share capital of One-2-One SA
4) 3,285,385 shares of Hoopla.pl SA - the shares represent 65.71% of the share capital of Hoopla.pl SA
5) 900 shares of NaviExpert Sp. z o.o. - the shares represent 47.37% of the share capital of NaviExpert Sp. z o.o.
6) 12,000 shares of w NetPress Sp. z o.o. - the shares represent 33,33% of the share capital of NetPress Sp. z o.o.
7) 2,656,700 shares of DomZdrowia.pl SA - the shares represent 65.81% of the share capital of DomZdrowia.pl SA
8) 452,685 shares of Digital Avenue SA - the shares represent 53.17% of the share capital of Digital Avenue SA.

The composition of MCI.EuroVentures 1.0 subfund portfolio:

1) 2,975,890 shares of ITG SA - the shares represent 33.98% of the share capital of ITG SA
2) 710,000 shares of Bankier.pl SA - the shares represent 9.83% of the share capital of Bankier.pl SA.

On January 18, 2008, the Management Board of MCI Management S.A. informed that according to Art. 69 subpar. 2 pt. 1 letter a) in connection with Art. 87 subpar. 1 pt. 3 letter b) of the Act on Public Offering it received the following information from BZ WBK AIB Asset Management SA: As a result of acquisitions of shares settled on January 15, 2008 the clients of BZ WBK Asset Management SA became owners of shares in the number that causes an increase in the number of votes at the general assembly of the shareholders of MCI Management SA by more than 2%. Earlier BZ WBK Asset Management SA informed about its clients holding 16.43% of the total number of votes at the general assembly of the shareholders of MCI Management SA. (The Management Board of MCI Management SA informed about that fact in its current report no. 82/2007 from November 23, 2007.)
Before the increase of the share referred to above the clients of BZ WBK AIB Asset Management SA on the accounts covered by the management agreements held 7,320,688 shares in MCI Management SA which represents 18.30% in the share capital. These shares gave the clients of BZ WBK AIB Asset Management SA 7,320,688 votes at the general assembly of the shareholders which represents 18.30% in the total number of votes at the general assembly of the shareholders of MCI Management SA. As of January 15, 2008 the total number of shares in MCI Management SA held by the clients of BZ WBK AIB Asset Management SA on the accounts of securities covered by the management agreements was 7,378,962 which represents 18.44% in the share capital of MCI Management SA. These shares

potentially gave the clients of BZ WBK AIB Asset Management SA 7,378,962 which represents 18.44% in the total number of votes at the general assembly of the shareholders of MCI Management SA.

On January 31, 2008 MCI Management SA purchased from CMM Sp. z o.o. on the basis of the concluded assignment of rights agreement, 260 shares of the nominal value of PLN 500 each in Microtech International Ltd. sp. z o.o. (Microtech), representing 58.56% of the share capital of that company for the total value of PLN 4,743,700 that is PLN 18,245 PLN per one share. The transaction will be made in cash and stocks / shares of the companies owned by MCI Management SA.
Furthermore, MCI Management SA is entitled to purchase as of March 31, 2008 the remaining 184 shares in Microtech (41.44%) for the agreed total amount of PLN 3,357,080.

On February 21, 2008, the Management Board of MCI Management S.A. informed that the Supervisory Board acting as provided in § 9 subpar. 2 of the Statutes of the Company on the basis of resolution from February 20, 2008 dismissed Mr. Konrad Sitnik from the position of Member of the Management Board of MCI Management SA and appointed him to the position of Vice President of the Management Board of MCI Management SA.

On February 22, 2008 according to Art. 69 subpar. 2 pt. 1 letter a) in connection with Art. 87 subpar. 1 pt. 3 letter b) of the Act on Public Offering it received the following information from BZ WBK AIB Asset Management SA according to Art. 69 subpar. 2 pt. 1 letter a) in connection with Art. 87 subpar. 1 pt. 3 letter b) of the Act on Public Offering it received the following information from BZ WBK AIB Asset Management SA: as a result of acquisitions of shares settled on February 19, 2008 the clients of BZ WBK AIB Asset Management SA became owners of shares representing over 20% of the total number of votes at the general assembly of the shareholders of MCI Management SA.
Before the increase of the shareholding referred to above the clients of BZ WBK AIB Asset Management SA held 8,161,154 shares in MCI Management SA on the accounts covered by the management agreements which represents 19.99% in the share capital. These shares gave the clients of BZ WBK AIB Asset Management SA 8,161,154 votes at the general assembly of the shareholders which represents 19.99% in the total number of votes at the general assembly of the shareholders of MCI Management SA.
On February 19, 2008, the total number of shares in MCI Management SA held by the clients of BZ WBK AIB Asset Management SA on the accounts of securities covered by the management agreements was 8,190,809 which represents 20.06% in the share capital of MCI Management SA. These shares potentially gave the clients of BZ WBK AIB Asset Management SA 8.190.809 votes which represents 20.06% in the total number of votes at the general assembly of the shareholders of MCI Management SA.

On March 5, 2008, MCI.BioVentures Sp. z o.o. – a subsidiary of MCI Management SA acquired 450 new shares of the nominal value of PLN 50.00 each in DNA Serwis sp. z o.o. (currently in the process of changing its name to Genomed Sp. z o.o.) MCI.BioVentures paid PLN 900 thousand in cash for the purchased shares that is PLN 2 thousand per each share. As a result of the transaction of purchase of the new shares MCI.BioVentures holds 31.03% in the share capital of DNA Serwis Sp. z o.o.
The transaction was made in the wake of the fulfillment of the terms and conditions of the investment agreement concluded between MCI.BioVentures and DNA Serwis on January 23, 2008 and constitutes the first round of financing.
DNA Serwis Sp. z o.o. offers such services as analysis of DNA sequences used in medical molecular diagnostics, industry, science and forensic medicine. Sequencing DNA is one of the basic methods in molecular biology applied both commercially and in research centers as well as in medicine in early detection of some genetically-related diseases.

On 19 March 2008 the Management Board of MCI Management S.A. informed that from February 29, 2008 to March 18, 2008 an exit from Technopolis investment took place by selling of the portfolio companies' assets. On February 29, 2008 Technopolis sp. z o.o., in which MCI Management SA has 100% shares, sold all shares held in JTT Computer SA in bankruptcy that is 426,866 shares of the nominal value of PLN 2 per each share for the total amount of PLN 128,059.80. On the same day Technopolis Sp. z o.o. signed a preliminary agreement to the final agreement of sale of receivables referred to below. Transfer by the buyer of the whole amount into a specified escrow account by March 14, 2008 was the condition of conclusion of the final agreement.
On March 18, 2008 Technopolis sp. z o.o. spółka komandytowo-akcyjna (whose general partner is Technopolis Sp. z o.o. and where MCI.PrivateVentures – a closed-end investment fund – owns 100% of its shares through MCI.EuroVentures 1.0 subfund) sold its receivables in JTT Computer SA in bankruptcy for the total amount of PLN 17,419,905.70. The assets were bought by currently the biggest shareholder JTT Computer SA – an entity which is not connected with MCI Management SA or any other company dependent on MCI Management SA. After the transactions neither MCI Management SA nor Technopolis

sp. z o.o. or Technopolis sp. z o.o. SKA have any assets of JTT Computer SA in bankruptcy or os any other companies from the JTT capital group.
The value of both transactions – PLN 17,547,965.50 – described in this report was paid in full. As a result of the exit from Technopolis, the project managed within MCI.EuroVentures 1.0 subfund, an almost 3.5-fold return on invested capital was achieved with IRR at 187%.

On March 28, 2008, MCI Management SA ("MCI") following the decisions of the General Assembly of the Shareholders and the Supervisory Board made another contribution of the company assets (stocks/shares of the portfolio companies) to *MCI Fund Management Spółka z ograniczoną odpowiedzialnością MCI.PrivateVentures Spółka komandytowo-akcyjna* ("MCI SKA") – a company owned in 100% by MCI. In April 2008, these assets shall be brought to MCI.TechVentures 1.0 and MCI.EuroVentures 1.0 subfunds of MCI.PrivateVentures – a closed-end investment fund on non-public assets. According to earlier information MCI is planning to complete the process of transfer of assets to the funds by the end of H1 this year.
On March 28, 2008, MCI increased the capital in MCI SKA (owned in 100% by MCI) to PLN 12,655,832.00. The capital was increased by taking up 2,938,166 new registered C shares of the nominal value of PLN 1.00 each at issue price of PLN 10.00 each. For that purpose MCI Management SA paid PLN 1,800,000 in cash and contributed the following assets:

1) 215,000 shares in Travelplanet.pl SA, of the nominal value of PLN 1.00 valued at PLN 8,597,850 that is PLN 39.99 per one share. The contributed assets represent over 9.92% of the share capital of Travelplanet.pl SA. The registered value of the contributed shares in the issuer's books is PLN 441,727.37.
2) 650,000 shares in One-2-One SA of the nominal value of PLN 0.10 valued at PLN 3,549,000 that is PLN 5.46 per one share. The contributed assets represent over 9.83% of the share capital of One-2-One SA. The registered value of the contributed shares in the issuer's books is PLN 846,686,58.
3) 710,000 shares in Bankier.pl SA valued at PLN 8,463,200 that is PLN 11.92 per one share. The contributed assets represent over 9.83% of the share capital of Bankier.pl SA. The registered value of the contributed shares in the issuer's books is PLN 1,072,557.27.
4) 493 shares in Intymna.pl Sp. z o.o. of the nominal value of PLN 50.00 valued at PLN 713,011.92 that is PLN 1,446.27 per one share. The contributed assets represent over 33.00% of the share capital Intymna.pl Sp. z o.o. The registered value of the contributed shares in the issuer's books is PLN 713,011.92. The contributed assets represent over 20% of the share capital of Intymna.pl Sp. z o.o. and they are considered assets of significant value.
5) 7,633 shares in WEB2 Sp. z o.o. of the nominal value of PLN 50.00 valued at PLN 376,614 that is PLN 49.34 per one share. The contributed assets represent over 50.01% of the share capital of WEB2 Sp. z o.o. The registered value of the contributed shares in the issuer's books is PLN 376,614.00. The contributed assets represent over 20% of the share capital of WEB2 Sp. z o.o. and they are considered assets of significant value.
6) share in ownership of the value of CZK 71,000 representing 47% of the fully paid-in contribution to the capital in the company under the business name of Retail Info s.r.o. of the value of PLN 2,326,500.23. The registered value of the contributed shares in the issuer's books is PLN 1,463,624.20. The contributed assets represent over 20% of the share capital of Retail Info s.r.o. and they are considered assets of significant value.
7) share in ownership of the value of CZK 132,000 representing 132/369 of the fully paid-in contribution to the capital in the company under the business name of Nostromo ICT s.r.o. of the value of PLN 1,194,333.83. The registered value of the contributed shares in the issuer's books is PLN 1,333,980.10. The contributed assets represent over 20% of the share capital of Nostromo ICT s.r.o. and they are considered assets of significant value.
8) share in ownership of the value of CZK 80,000 representing 51% of the fully paid-in contribution to the capital in the company under the business name of Geewa s.r.o. of the value of PLN 2,361,163.36. The registered value of the contributed shares in the issuer's books is PLN 2,361,163.36. The contributed assets represent over 20% of the share capital of Geewa s.r.o. and they are considered assets of significant value.

5. Factors and events especially of unusual nature which significantly affect the financial results

In Q1 2008, MCI Management SA Capital Group achieved the following financial results:

in PLN '000	*Q1 2008*	*Q1 2007*	*Change in PLN '000*	*Change in %*

Revenue from sales	313	22 440	(22 127)	-98,6%
Profit/loss on operations	50 273	25 438	24 835	97,6%
Net profit/loss per attributed to shareholders of parent company	28 781	21 422	7 359	34,4%
EPS profit per 1 ordinary share in PLN	0,71	0,54	0,17	31,5%

In Q1 2008, there were almost no consolidated profits. It is connected with the transfer of MCI assets to MCI.PrivateVentures FIZ, and, consequently, exclusion of most portfolio companies from consolidation. The net consolidated profit of MCI in Q1 2008 grew by 34.4% compared to Q1 2007, whereas the net unit profit grew by 134%. The detailed description of the factors and events is included in point 1 of this report titled: "Summary of operations and results of MCI Management SA in Q1 2008."

6. Seasonal and cyclical character of operations of the Capital Group in the reporting period

There are no operations of seasonal or cyclical character in the operations of the parent company MCI Management S.A. or its subsidiaries and it is difficult to recognize any trends due to the unusual object of operations MCI Management S.A. of investment group.

7. Information regarding issue, redemption and repayment of debt and capital securities

MCI Management SA:

Bonds convertible to shares
On September 17, 2004 MCI Management SA issued 1,670 pieces of five-year bonds convertible to shares with the value of PLN 10,020,000. The bonds bear variable interest rate at WIBOR 6M + 3.5% annually, established on the first day of interest period counted from the nominal value of bonds. The interest period is 6 months. The bonds are subject to stock exchange trading.
The bondholders are entitled to take up ordinary bearer shares of the Company for the bonds they hold with the nominal value of PLN 1 per one share. The price of conversion of shares issued in exchange for bonds is PLN 6.00 which means that the bondholder is entitled to take 1,000 share in exchange for one bond.
823 bonds have been converted to shares as of March 31, 2008.

Interest bonds
On October 17, 2007, the Company issued 5,000 two-year, interest bonds with the total value of PLN 50 million. The nominal value and the issue price of one bond is PLN 10 thousand.
The maturity date of the bonds is October 16, 2009. The bonds bear variable interest rate WIBOR 6M + 2.5% annually. Interest shall be paid every 6 months on April 17, 2008, October 17, 2008, April 17, 2009, October 16, 2009.

ABC Data Holding SA:

Bonds with warrants
On December 21, 2007, ABC Data Holding S.A. signed an investment agreement with BRE Bank S.A. (bond holder) regarding the issue of bonds with warrants in order to finance the purchase of shares in ABC Data Sp. z o.o. and Actebis Computer s.r.o. 21 bonds of the value of PLN 3,623 thousand each, that is in the total amount of PLN 76,083 thousand, were issued on December 28, 2007 on the following terms and conditions:

a. Variable interest rate WIBOR 6M + 2.5%
b. Maturity date December 28, 2012
c. Interest is paid twice a year on: June 28 and October 28.

Furthermore, the agreement grants the right to Subscription Warrants which within an specific time should be issued and given to the bond holder. As of March 31, 2008 the warrants have not been issued.

Bonds convertible to shares
On December 21, 2007, ABC Data Holding S.A. signed an investment agreement to issue 4,000 bonds convertible to shares of the total face value of PLN 44,000 thousand. As a result of that agreement on December 27, 2007 the investors paid an advance in the total amount of PLN 44,000 thousand for the bonds which were issued on January 8, 2008.

8. Information regarding paid out (or declared) dividend in total and per one share broken into ordinary and preference shares

Dividends were not paid out in the parent company or in subsidiaries.

9. Events which occurred after the day on which the abbreviated consolidated quarterly financial statements were made which are not included in this report and which may significantly affect the future financial results

On April 15, 2008, the Management Board of MCI Management SA informed that it signed with Mr. Jacek Szczepaniak an agreement of sale of 197,015 shares in Fin Skog SA for PLN 197.02 that is PLN 0.001 per one share. The nominal price of one share is PLN 1; the sold shares represent 33% of the share capital of the company. The payment shall be made in cash within 14 days from the date of signing the agreement. The book value of the sold shares in the issuer's books is PLN 137,781.

On April 18, 2008, on the basis of a share sale agreement MCI Management SA sold to Innovation Technology Group SA (ITG) 260 shares in Microtech International Ltd. sp. z o.o. (Microtech) of the nominal value of PLN 500.00 per each share, representing 58.56% of the share capital of the company for the total price of PLN 4,743,700.00. The book value of the sold shares was PLN 4,743,700.

On April 24, 2008 MCI.TechVentures 1.0. subfund (Fund), which belongs to MCI Group, signed an investment agreement with the shareholders of a Czech company INVIA.CZ s.r.o. On the basis of that agreement after meeting the preliminary conditions provided in the agreement the Fund shall buy 50.10% shares in that company from previous shareholders. INVIA.CZ is the leader of the e-tourism market in the Czech Republic and in Slovakia. In respect of turnover there is no other such company in the whole region of Central and Eastern Europe**.**

The parties to the investment agreement decided not to disclose the value of the transaction, however, according to the internal terminology of the Fund it was so called “big ticket” transaction that is a transaction whose value exceeds PLN 10 million. It was then one of the major investments of MCI in its portfolio. After finalization of the transaction apart from the Fund the shareholders of the company shall include 3 natural persons from the Czech Republic who were the founders of INVII in 2002 and Internet Travel Holding AG, a subsidiary of Swiss investment group – Centralway AG which has been so far a majority investor. The parties to the investment agreement accepted a joint objective to go public through introduction of the company to the Warsaw Stock Exchange in 2009. The previous owners of INVII are planning to sell through IPO another block their shares remaining the owner of more or less a fourth of the company.

10. Effects of changes in the business entity structure, including those due to mergers of business entities, takeovers or sale of a capital group units, long-term investments, division, restructuring and discontinuation of operations

In Q1 2008, MCI purchased 2.00% of the shares in Technopolis Sp. z o.o. After the transaction MCI Management holds 100% shares in the share capital of the company.

On January 31, 2008, MCI Management S.A. purchased 260 shares in Microtech International Ltd. Sp. z o.o. which represents 58.56% of the share capital of that company, and then on April 18, 2008 sold these shares. The purchase price and the selling price were the same.

In Q1 2008, MCI increased the capital of MCI Fund Management Sp. z o.o. MCI.PrivateVentures S.K.A by making a contribution to the company of stocks/shares in the following companies:

1) 9.92% stocks in Travelplanet.pl S.A., after the transfer MCI holds 21.15% of the stocks in Travelplanet.pl;
2) 9.83% stocks in One-2-One S.A., after the transfer MCI holds 10.69% of the stocks in One-2-One;
3) 9.83% stocks in Bankier.pl S.A., after the transfer MCI holds 1.25% of the stocks in Bankier.pl;
4) 33.00% shares in Intymna.pl Sp. z o.o., which represented the total interest held by MCI;
5) 50.01% shares in Web2 Sp. z o.o., which represented the total interest held by MCI;
6) 47.00% shares in Retail Info s.r.o., which represented the total interest held by MCI;
7) 33.33% shares in Nostromo ICT s.r.o., which represented the total interest held by MCI;
8) 51.00% shares in Geewa s.r.o., which represented the total interest held by MCI;

11. Information regarding changes in significant provisional liabilities or provisional assets which have occurred since the end of last accounting year

Since the end of last accounting year there have been no significant changes in provisional liabilities or provisional assets.

12. Position of the management board regarding possibility of realization of earlier published forecasts of results for a given year in the light of results presented in the quarterly report compared to forecasts

On February 21, 2008 the Management Board of MCI Management SA announced the forecast for 2008:

2008	Forecast
Net unit financial result	PLN 79.6 million
Net consolidated financial result	PLN 78.6 million*
Director's method of valuation of MCI assets	PLN 707.5 million

*assuming the results of ABC Data Holding S.A. group are not consolidated.

Due to the uncertainty of the capital markets in the world and its impact on the valuation of public and non-public companies, MCI forecasts conservatively the net unit result for 2008 at the level similar to that of last year. The company is planning to complete by the end of H1 2008 the process of transfer of all assets to its investment funds, which is why in 2008 the results at consolidated level will be similar to the unit results of the company.

The Management Board of MCI Management SA is planning an increase of the value of assets by the end of 2008 by 33.3% as a result of the development of the portfolio of the companies under management.

As of the day of publication of this report the Management Board of MCI Management S.A. upholds the forecasts of the results for 2008

13. Shareholders holding directly or indirectly through subsidiaries at least 5% of the total number of votes at the general assembly of MCI Management S.A. as of the day of submission of the quarterly report and changes in the ownership structure of major stakes of MCI Management S.A. shares in the period from the submission of previous quarterly report

As of May 15, 2008 the list of shareholders holding at least 5% of the total number of votes is as follows:

Name of shareholder	*Number of shares held*	*Number of options held*	***% of votes***	*Change in the number of shares comparison to previous quarter*
Czechowicz Ventures Sp. z o.o.	16,119,197	0	39.49	0
BZ WBK AIB Asset Management SA	8,190,809	0	20.06	0

14. Changes in issuer's shareholding or their rights (share options) by persons managing or supervising issuer according to information possessed by issuer in the period from the submission of previous quarterly report

Based on knowledge of MCI Management S.A. as of May 15, 2008 the number of shares held by the persons managing the Company is as follows:

Management Board:

	Number of shares held	*Number of options held*	*Change in comparison to previous quarter*
Tomasz Czechowicz	1,286,953	0	0
Konrad Sitnik	5,497	0	0
Anna Hejka-Arczyńska	139,410	0	0
Roman Cisek	120,698	0	0

Supervisory Board:

	Number of shares held	*Number of options held*	*Change in comparison to previous quarter*
Dariusz Adamiuk	4.398	0	0
Jacek Kseń	4,398	0	0
Hubert Janiszewski	9,897	0	0
Waldemar Sielski	29,320	0	0
Wojciech Siewierski	9,895	0	0
Wiesław Rozłucki	9,895	0	0

15. Proceedings before court, competent authority for arbitration proceedings or public administration entity

On October 2, 2006 the attorneys of MCI Management SA MCI filed a suit in the Circuit Court in Wrocław against the Treasury of the State for payment of PLN 38,512 thousand for losses suffered and lost opportunities by MCI Management SA as shareholder of JTT Computer S.A., as a result of unlawful operations of tax authorities. The action filed was another step after the request submitted on June 8, 2006 at the District Court for Wrocław-Śródmieście Civil Division I to call on the Treasury of the State Director of Tax Audit Office in Wrocław to try to reach an amicable settlement of the case for payment of due amount referred to above and appoint session of the Court in order to conduct conciliatory proceedings. The proposal of amicable settlement presented by MCI Management SA was rejected by the General Public Prosecutor's Office.

On November 8, 2006 the law firm representing the Company in the dispute against the Treasury of the State regarding the losses suffered and lost opportunities on the shares of JTT Computer SA caused by its bankruptcy as a result of activities of tax authorities received an order issued in the proceedings by writ of payment issued on October 31, 2006 by the Circuit Court in Wrocław Civil Division I (file ref. no. INc332/06). It is the result of consideration by the Court of the claim filed by MCI on October 2, 2006. According to the order referred to above the Treasury of the State - Director of Tax Audit Office in Wrocław shall pay PLN 38,512,000.- that is full amount of the claim with statutory interest on the above amount (calculated from June 8, 2006 till the payment date) and PLN 53,815.- as the trial costs within two weeks (by November 22, 2006) or file an appeal within the term mentioned above against the order for payment. The order is not yet final and unappealable and as such it is not a security warrant as it is issued in the proceedings by writ of payment. According to Art. 505 §1 of the Code of Civil Procedure in the case when an appeal is lodged by the Treasury of the State, an order for payment becomes invalid and the Court shall order the delivery of the appeal to MCI with a subpoena.

On October 3, 2006 the Management Board of MCI Management SA informed that on October 2, 2006 the attorneys of MCI (representing Consortio LEX Konsorcjum Prawnicze) filed a suit in the Circuit Court in Wrocław against the Treasury of the State for payment of PLN 38,512 thousand for losses suffered and lost opportunities by MCI Management SA as shareholder of JTT Computer S.A., as a result of unlawful operations of tax authorities.

The action filed is another step after the request submitted on June 8, 2006 at the District Court for Wrocław-Śródmieście Civil Division I to call on the Treasury of the State Director of Tax Audit Office in Wrocław to try to reach amicable settlement of the case for payment of due amount of PLN 38,520 thousand and appoint session of the Court in order to conduct conciliatory proceedings. The proposal of amicable settlement presented by MCI Management SA was rejected by the General Public Prosecutor's Office.

On February 3, 2007 the Management Board of MCI Management S.A. informed that on February 2, 2007 the attorneys representing the fund *(Consortio LEX Konsorcjum Prawnicze)* received the decision of the Circuit Court in Wrocław in the case (file ref. no. C I 1004/06) brought by MCI Management SA against Treasury of the State – Director of the Tax Audit Office in Wrocław for payment of PLN 38,512 thousand for suffered damages and lost opportunities by MCI as the shareholder of JTT Computer SA which arose as a result of illegal acts of tax authorities.
The Court decided to refer the parties to mediation, appointing at the same time a mediator from the Business Mediation Center in Warsaw and set the mediation period for one month.
MCI is happy to learn about an attempt at amicable settlement of the dispute in line with the position represented to date which was demonstrated by calling to settle prior to filing of suit which was unfortunately turned down by the attorneys of Treasury of the State. MCI, expressing through *Consortio LEX* the consent to look into the files of the case by the mediator, hereby confirms the will to reach a compromise within the time indicated by the Court.
On February 28, 2007 the Management Board of MCI Management S.A. informed that on February 27, 2007 it received from the attorneys representing the fund *(Consortio LEX Konsorcjum Prawnicze)* information about the decision of the Circuit Court in Wrocław in the case (file ref. no. C I 1004/06) brought by MCI Management SA against Treasury of the State – Director of the Tax Audit Office in Wrocław for payment of PLN 38,512 thousand for suffered damages and lost opportunities by MCI as the shareholder of JTT Computer SA which arose as a result of illegal acts of tax authorities.
Despite accepting by MCI of the proposal of the Court to refer the parties to mediation in order to resolve the dispute, the General Public Prosecutor's Office on behalf of the defendant Treasury of the State did not express its consent to conduct the mediation. Consequently, the Circuit Court in Wrocław appointed the first trial in March 2007.
All witnesses as well as the plaintiff have testified during the ongoing proceedings of the 1st instance trial. The hearing of the defendant is scheduled during the trial on Nov. 9, 2007.

On January 31, 2008, at the closed session the Circuit Court in Wrocław issued a decision to appoint expert witnesses from the Department of Investments and Business Appraisal at the University of Szczecin in order to investigate the cause-and-effect connections between the decision of the Tax Audit Office in Wrocław and the bankruptcy of JTT Computer SA and the loss of benefits by MCI as JTT's shareholder. The ruling is expected in H2 2008.

Due to the beginning of the trial MCI shall inform on the regular basis of the key events in the proceedings which might affect the resolution of the dispute.

There are no other proceedings in Q1 2008 regarding liabilities or receivables of the issuer or its subsidiaries whose value represent at least 10% of the issuer's equity capitals.

16. Information about making by the issuer of its subsidiaries one or numerous transactions with related entities if the value of such transactions exceeds the equivalent of EUR 500,000 expressed in PLN

On March 28, 2008, MCI Management SA ("MCI") following the decisions of the General Assembly of the Shareholders and the Supervisory Board made another contribution of the company assets (stocks/shares of the portfolio companies) to *MCI Fund Management Spółka z ograniczoną odpowiedzialnością MCI.PrivateVentures Spółka komandytowo-akcyjna* ("MCI SKA") – a company owned in 100% by MCI. In April 2008, these assets shall be brought to MCI.TechVentures 1.0 and MCI.EuroVentures 1.0 subfunds of MCI.PrivateVentures – a closed-end investment fund on non-public assets. According to earlier information MCI is planning to complete the process of transfer of assets to the funds by the end of H1 this year.
On March 28, 2008, MCI increased the capital in MCI SKA (owned in 100% by MCI) to PLN 12,655,832.00. The capital was increased by taking up 2,938,166 new registered C shares of the nominal value of PLN 1.00 each at issue price of PLN 10.00 each. For that purpose MCI Management SA paid PLN 1,800,000 in cash and contributed the following assets:

1) 215,000 shares in Travelplanet.pl SA, of the nominal value of PLN 1.00 valued at PLN 8,597,850 that is PLN 39.99 per one share. The contributed assets represent over 9.92% of the share capital of Travelplanet.pl SA. The registered value of the contributed shares in the issuer's books is PLN 441,727.37.
2) 650,000 shares in One-2-One SA of the nominal value of PLN 0.10 valued at PLN 3,549,000 that is PLN 5.46 per one share. The contributed assets represent over 9.83% of the share capital of One-2-One SA. The registered value of the contributed shares in the issuer's books is PLN 846,686,58.

3) 710,000 shares in Bankier.pl SA valued at PLN 8,463,200 that is PLN 11.92 per one share. The contributed assets represent over 9.83% of the share capital of Bankier.pl SA. The registered value of the contributed shares in the issuer's books is PLN 1,072,557.27.
4) 493 shares in Intymna.pl Sp. z o.o. of the nominal value of PLN 50.00 valued at PLN 713,011.92 that is PLN 1,446.27 per one share. The contributed assets represent over 33.00% of the share capital Intymna.pl Sp. z o.o. The registered value of the contributed shares in the issuer's books is PLN 713,011.92. The contributed assets represent over 20% of the share capital of Intymna.pl Sp. z o.o. and they are considered assets of significant value.
5) 7,633 shares in WEB2 Sp. z o.o. of the nominal value of PLN 50.00 valued at PLN 376,614 that is PLN 49.34 per one share. The contributed assets represent over 50.01% of the share capital of WEB2 Sp. z o.o. The registered value of the contributed shares in the issuer's books is PLN 376,614.00. The contributed assets represent over 20% of the share capital of WEB2 Sp. z o.o. and they are considered assets of significant value.
6) share in ownership of the value of CZK 71,000 representing 47% of the fully paid-in contribution to the capital in the company under the business name of Retail Info s.r.o. of the value of PLN 2,326,500.23. The registered value of the contributed shares in the issuer's books is PLN 1,463,624.20. The contributed assets represent over 20% of the share capital of Retail Info s.r.o. and they are considered assets of significant value.
7) share in ownership of the value of CZK 132,000 representing 132/369 of the fully paid-in contribution to the capital in the company under the business name of Nostromo ICT s.r.o. of the value of PLN 1,194,333.83. The registered value of the contributed shares in the issuer's books is PLN 1,333,980.10. The contributed assets represent over 20% of the share capital of Nostromo ICT s.r.o. and they are considered assets of significant value.
8) share in ownership of the value of CZK 80,000 representing 51% of the fully paid-in contribution to the capital in the company under the business name of Geewa s.r.o. of the value of PLN 2,361,163.36. The registered value of the contributed shares in the issuer's books is PLN 2,361,163.36. The contributed assets represent over 20% of the share capital of Geewa s.r.o. and they are considered assets of significant value.

17. Information about granting by the issuer or its subsidiaries of sureties for credits or loans or guarantees - jointly to one entity or its subsidiary if the total value of existing sureties or guarantees equals at least 10% of a company's equity

The investment agreement from December 21, 2007 between BRE Bank SA ("BRE") as the financing party, MCI Management SA ("MCI") as an investor and ABC Data Holding SA ("ABC") for purchase of companies from Actebis group provides that BRE shall have the pledge by registration as a security of the agreement (as of the day of publication of the report it is in the process of registration) on 80% stocks (i.e. 44,377,600) ABC Data Holding SA owned by MCI and on 100% of the shares (i.e. 1,083,334) in ABC Data Sp. z o.o. owned by ABC Data Holding SA.

18. Other information which in the opinion of the Company is important for the evaluation of its staff, property, financial situation, financial result and its changes as well as information which is important for the evaluation of the possibilities of fulfilling its obligations

The financial situation of the Capital Group is stable; it has over PLN 142.9 million in cash, liquid instruments, receivables as well as short-term loans and fixed assets for trading with total liabilities (including bonds and bonds convertible to shares issued by MCI Management S.A.) and provisions for liabilities in the amount of PLN 99.9 million (PLN 85.1 million of which are long-term liabilities.)

19. Factors which in the opinion of the Company shall affect the results achieved by it within at least the next quarter

The further growth of the fair value of the investment funds managed by MCI Investment Group shall be the key for Q2 2008.

20. Sector segments

The MCI Management S.A. Capital Group assumed the sector division into segments as basic division, and the geographic division is a supplementary division.

The Capital Group companies covered by consolidation operate in the area of the following sector segments:

Segment A – Investments
Segment B – Internet
Segment C – Other
Segment D – Biotechnology

The accounting principles assumed in respect of reporting regarding the segments in the scope of valuation of revenues and costs as well as assets and liabilities are uniform and they were described in point 1 of the descriptive part. Transfer pricing in trading between segments is established according to the market rules. The transactions made between segments were eliminated by introducing consolidation adjustments.

Position in the statements	***Segment A***	***Segment B***	***Segment C***	***Segment D***	***Adjustments***	***Total***
Assets by segment	393 008	-	5 215	1 090	(99 972)	299 341
Liabilities by segment	393 008	-	5 215	1 090	(99 972)	299 341
	-	-	-	-	-	-
Revenues by segment (sale to external customers)	63	242	8	-	-	313
Revenues by segment (sale to other segments)	-	-	-	-	-	-
Revenues by segment in total (sales)	63	242	8	-	-	313
Costs by segment (sale to external customers)	(6 894)	(614)	(86)	(161)	-	(7 755)
Costs by segment (sale to other segments)	18	-	(2)	-	-	16
Costs by segment in total (sales)	(6 876)	(614)	(88)	(161)	-	(7 739)
Result by segment (operating)	35 341	(372)	(79)	(161)	16 594	51 323
Net result of assets for sale	-	-	(11 943)	-	44	(11 899)
Net financial result	28 593	(365)	(12 024)	(161)	12 740	28 783

Region	**Revenues from sales** ***PLN '000***	**Assets of segment** ***PLN '000***
Lower Silesia (MCI, MCI Capital TFI, Technopolis, MCI.BioVentures, MCI Fund)	63	301 992
Mazowieckie Region (Web2)	8	97 321
Czech Republic	242	-
Adjustments	-	(99 972)
Total	**313**	**299 341**