

## **PRESENTATION OF MCI MANAGEMENT SA**

March 2010



## **OUR COMPANY**





### **ABOUT US**

- MCI, created in 1999, is one of the oldest and most experienced groups managing private equity funds in Central and Eastern Europe, with an unquestionable leading position on Polish market.
- Since February 2001, shares of MCI are listed on the Warsaw Stock Exchange.
- Group consilidated assets: 343M PLN\*.
- The MCI Group manages following funds : MCI.Bioventures, MCI.TechVentures, MCI.EuroVentures ,Helix Ventures Partners,Gandalf Absolute Return
- MCI has set up its own investment fund company MCI Capital TFI SA, which is regulated by Polish Security Financial Authority.
- Strong trackrecord of portfolio and exit management proven by 7 IPO's on Warsaw Stock Exchange and 15 trade sale transactions with annual 18.9% IRR for last 10 years, which gives MCI clear Top-Quarter performance between European private equity funds\*\*.

\* assets value as for 09/30/2009

\*\* performance based on EVCA press release data, June 2009



#### **PRESENCE IN REGION**

- MCI is a group of professionals with many years' experience in management on the PE/VC market;
- MCI currently has direct investments in Poland and Czech Republic;
- MCI's main areas of interest are:
  - Internet and digital media,
  - mobile Internet and VAS,
  - SaaS and IT services,
  - distribution and BPO
  - healthcare and biotechnology,
  - clean technologies.





#### **SHAREHOLDERS**

as on December 31<sup>st</sup>, 2009

free float **52.57%** 

ImmoVentures 38.00 % \*

BZ WBK AIB AM

9.43%

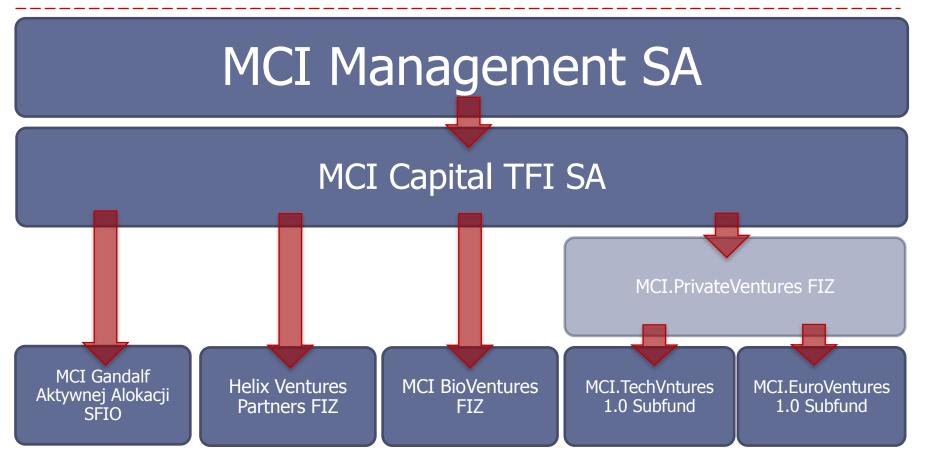
\* MCI shares worth 7.76 million PLN have been purchased by Immoventures on market terms from the share capital (after the registration of these shares, the shareholding of Thomas Czechowicz and Immoventures in the capital of the company will increase to 41%).

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### **ORGANISATIONAL STRUCTURE**

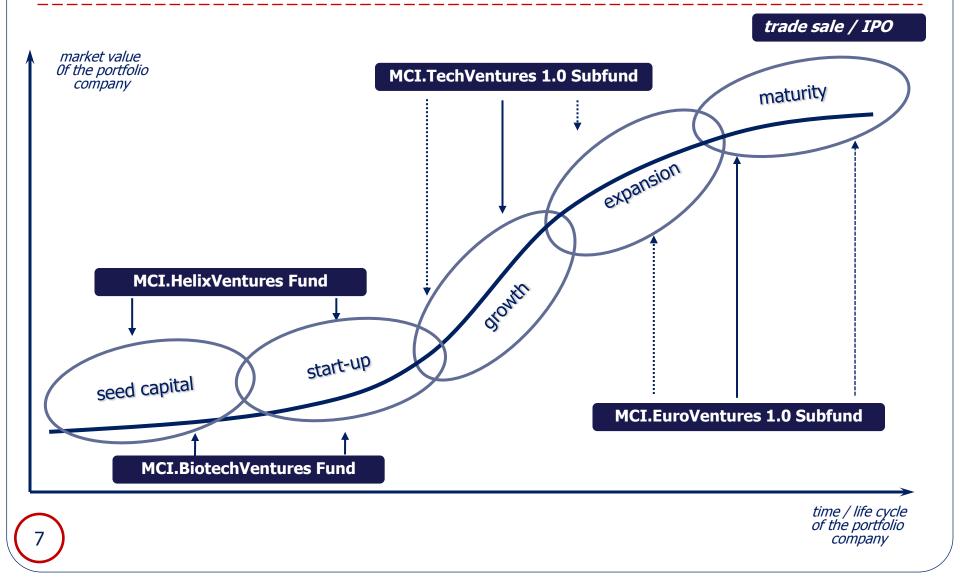


- On 27 March 2009, the process of transferring financial assets related to the operations of MCI.BioVentures to a
  dedicated closed-end investment fund operating within the framework of MCI Capital TFI was completed; its
  purpose was to introduce a clear division of investment competences within the MCI Group.
- The MCI Funds' auditor is **Ernst&Young**.

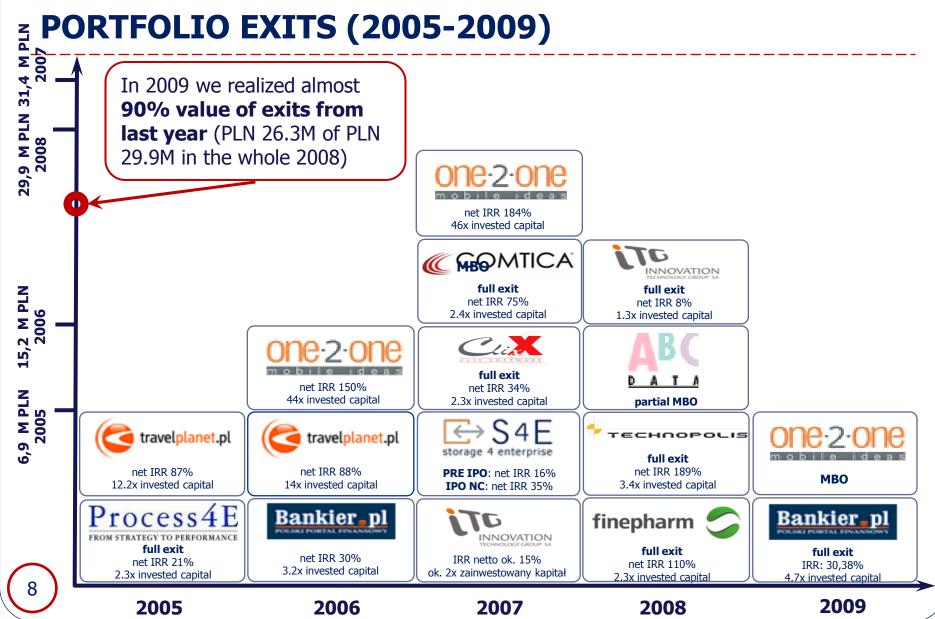
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#### **INVESTMENT STRATEGY ALIGNED** WITH BUSINESS LIFE CYCLE









#### THE COMMITED TEAM OF PARTNERS









#### **Tomasz Czechowicz**

President of the Management Board Managing Partner

1.0

#### **Konrad Sitnik**

Vice President of the Management Board Senior Partner

#### **Beata Stelmach**

Member of the Management Board Partner; President of the Management Board of MCI Čapital TFI SA

Management of MCI Group; Management of MCI.TechVentures

Over 15 years of experience Wroclaw University of Technology MBA, University of Minnesota

*Co-management of MCI Capital TFI SA and MCI.EuroVentures 1.0* 

Over 15 years of experience Warsaw University

MBA, University of Minnesota

Creation of new innovative products in PE/VC and management of the Group's communications

Over 17 years of experience

Warsaw School of Economics

MBA, INSEAD

MBA, Calgary University



Member of the Management Board Investment Partner -**CFO** 

Responsible for operations and finances in MCI Management S.A.

Over 10 years of experience

Wrocław University of Economics



#### **THE COMMITED TEAM OF PARTNERS**





#### **SUPERVISORY BOARD**

#### Hubert Janiszewski



Member of Supervisory Board of Deutsche Bank Poland S.A. and DB Securities S.A. Former Executive Director by Deutsche Bank London, Advisory Services, HSBC Investment Services In Warsaw and Bankers Trust Company (London and Warsaw)

#### Wojtek Siewierski

Sławomir Lachowski



Investment Partner at Mitsui Ventures Silicone Valley Office in Menlo Park, CA, USA. Investment Adviser for Mitsui Co. Japan Private Equity Division. Earlier, Managing Director in DoCoMo Europe Ltd. in London and managing Director in NTT DoCoMo Inc.

#### **Dariusz Adamiuk**



Former Chairman of PZU Asset Management S.A. Advisor to the Chairman of PZU S.A., PZU Życie S.A. and TFI PZU S.A. Head of investment banking department in ABN Amro in Poland.

#### Andrzej Olechowski



Former Minister of Finance and Foreign Affairs. European vice-chairman of The Trilateral Commission and executive member of, among others, Stefan Batory Foundation, Institute of Public Affairs and the Economic-Social Association Foundation.



The creator of mBank – the first virtual bank in Poland and MultiBank. Former president of the board of BRE Bank, vice president of the board of PKO BP and vice president of the board of PBG SA. For many years he worked at for the Institute of Economic Development at SGPiS. He is a member of supervisory boards of Hochtief Construction AG and KS Widzew SA; he is also a member of board of the Educational Enterprise Foundation.

#### Waldemar Sielski



IT Consultant for UNIDO Commercial Manager in Olivetti Poland. Former Managing Director of Microsoft Corporation Poland Sp. z o.o.



## **FUNDS UNDER MANAGEMENT**



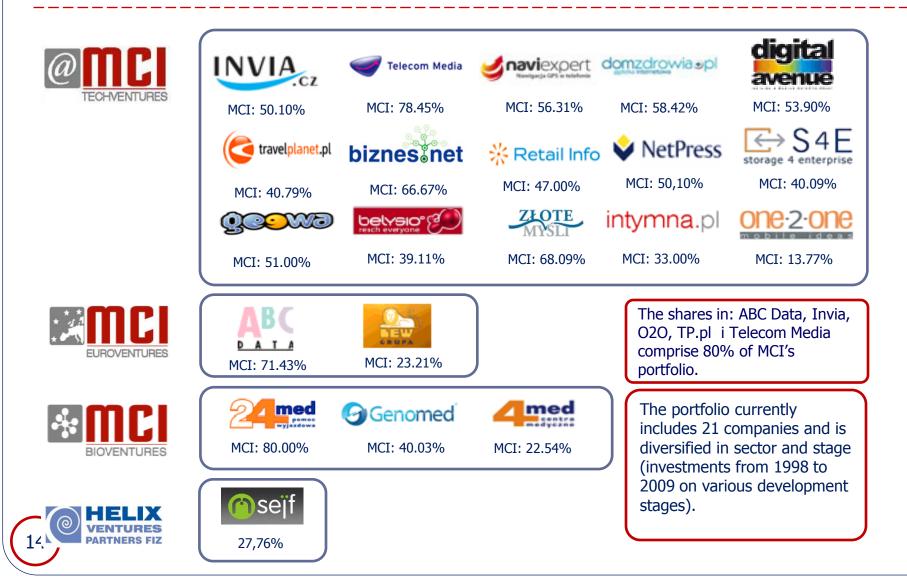


#### **MANAGED FUNDS**

CONCLUSION TECHVENTURES	<ul> <li>Value of managed assets: PLN 108 M*</li> <li>Sector focus: Internet, telecommunication, digital media, digital entertaiment, mobile internet and VAS, e-commerce,</li> <li>investment strategy: financing growth / expansion;</li> <li>EUR 1.5–5 M</li> </ul>
	<ul> <li>Value of managed assets: PLN 225.8 M*</li> <li>Sector focus: TMT, financial and business services, e-commerce and distribution</li> <li>Investment strategy: financing growth / expansion / special</li> <li>situation; LBO, PIPE, MBI, MBO</li> <li>EUR 5-25 M</li> </ul>
BIOVENTURES	<ul> <li>Value of managed assets: PLN 8.2 M**</li> <li>Sector focus: healthcare, biotechnology, medtech</li> <li>Investment strategy: growth financing (healthcare); seed capital (medical technologies and biotechnology);</li> <li>EUR 0.2m - 1.0 M</li> </ul>
HELIX VENTURES PARTNERS FIZ	<ul> <li>Value of managed assets: PLN 40 M**</li> <li>Sector focus: Internet, software.mobile and wireless technologies</li> <li>Investment strategy: seed and start-up companies</li> <li>EUR 0.5-1.5 M</li> </ul>
Gandalf Specjalistyczny Fundusz Inwestycyjny Otwarty	<ul> <li>Value of managed assets: PLN 18.7 M</li> <li>The minimum investment treshold is EUR 40.000</li> <li>Management: Robert Nejman, Dorota Nejman and Dariusz Kowalski</li> <li>The Fund invests on all major stock markets around the world, on major commodity markets, foreign exchange markets and debt instruments markets (bonds); it does not operate on the real estate markets or PE investments</li> <li>Investment strategy: generating returns far exceeding those available on bank deposits, regardless of the situation on the capital market and to minimize the risk of incurring a loss</li> </ul>
	ue as on December 31th, 2009 the realised investments and investment commitment of fund's investors as on December 31th, 2009



#### **CURRENT INVESTMENT PORTFOLIO (1)**





#### **CURRENT CONSILIDATED PROJECT PORTFOLIO(2)**





## ACHIEVEMENTS





## **MCI AGAINST OTHER PRIVATE EQUITY FUNDS**

- The first such rating created by Red Herring.
- The 200 finalists were selected after carefully reviewing over a thousand investment funds operating around the Globe.
- MCI Management SA is featured in this prestigious group thanks to, among others, the results the company had generated through the last ten years.



In the period between 01.01.1999 and 30.09.2009 MCI Management SA generated net IRR at the level of 18.9%\* and was ranked one of the top European PE funds.

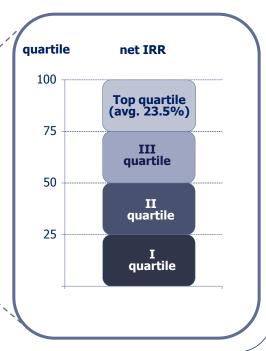
#### **Results of European PE/VC** created in the years 1980-2007

	aggregated IRR (%)	average IRR for the top quartile (%)
private equity	11.7%	23.5%

source: Thomson Financial to oders of EVCA; database includes total of 1215 European funds

The above data cover the period 1980-2007; we do not have more recent official information. Due to the turmoil on the global financial markets in 2008, it is expected that aggregated data on average rates of return for last year have deteriorated.

\* Average net IRR of the whole MCI Management SA portfolio in the period 01.01.1999 – 30.09.2009 (the sum of full and partial exits and book valuation of the portfolio as on 30.09.2009).







#### **BANKIER.PL – FULL EXIT**

- MCI Management sold to MIH Allegro the whole batch of shares in Bankier.pl (18.4%)
- Price in the call:
  - Final price in the call: PLN 9.00
  - The final price per share including call price and dividend PLN 9.39
- That is a 20.4% premium on the average price of shares for the last six months of listings
- IRR: 31.63%
- The whole project:
  - IRR 30.38%
  - 4.7x invested capital



breakeven-point

#### **2000** start-up

MCI invests 750.000 zł IPO Bankier.pl on WSE MCI executes partial exit from the investment:

- IRR 31.81%
- around 3.2x capital

2008

 MCI initiates the process of acquiring a strategic investor seeing the upcoming consolidation trends on the market

- short-list of investors for Bankier.pl (Q3)
- talks frozen due to the "Lehman Brothers crisis" (Q4'08/Q1'09)

MCI Management sold to MIH Allegro the whole batch of shares in Bankier.pl (18.4%)

• IRR: 31.63%

2009

 around 4.5 x invested capital



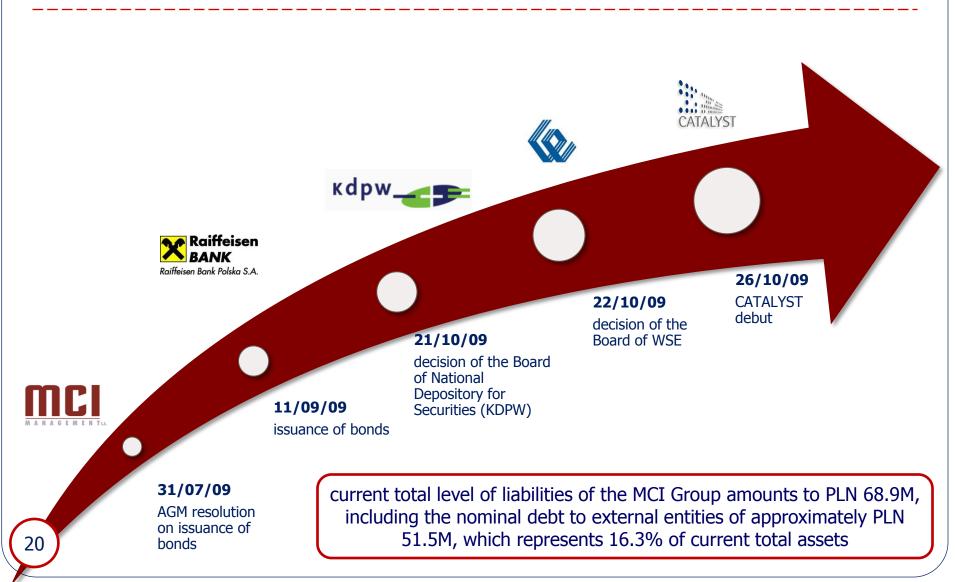
#### **SUCCESSFUL ISSUANCE OF BONDS**

- bearer bonds, convertible to shares, 3-year, maturity on 10 September 2012
- conversion price PLN 6.25
- MCI holds the right to call for early redemption, however not earlier than after September 11<sup>th</sup>, 2011, and provided that even once MCI stock price on WSE exceeds conversion price by 50%
- interest paid semi-annually
- value of bonds issued = PLN 50M
- bonds were oversubscribed on sale
- purchased by investment funds and OFE





#### **BOND ISSUANCE PROJECT SCHEDULE**





## **ACHIEVEMENTS OF PORTFOLIO COMPANIES – ABC DATA**

- The company resisted the crisis, retained its market share from last year while raising EBITDA:
  - PLN 26,936k cummulated EBITDA after Q3 2009
  - 10.4% YTY EBITDA growth after Q3 2009
- since October 2009, the company is the official distributor for Toshiba products in Slovakia
- in Novamber 2009, the company begins – as an official reseller – the sale of HP printers and supplies products for HP printers in the Czech Republic and Slovakia

- 274<sup>th</sup> position in ranking by Rzeczpospolita and Deloitte: 500 biggest companies of the region Central and Eastern Europe
- Company renewed for another three years the Quality Management System Certificate, ISO 9001 according to PN-EN ISO 9001:2009, identical to ISO 9001:2008 for sales service and supply of equipment and software and other electronic equipment, training, design, manufacture and sales of computer systems.



On August 3, 2009, a new division was launched under the name ABC DATA IT Consulting Services, which offers professional support in the implementation of IT projects; the offer is addressed exclusively to partners of ABC Data and enables them to sell advanced comprehensive solutions to the end customer. ABC DATA is the first IT distributor in Poland, who will provide such a wide range of consulting services. The uniqueness of the project is also highlighted by the largest technical and product support facilities in Poland owned by ABC DATA, which will be the base for the ordered IT implementations. Add to this the company's long experience in the IT industry and knowledge and experience of its professionals.

#### APY A TA ACHIEVEMENTS OF PORTFOLIO COMPANIES – ABC DATA

- The IPO process is underway (consortium of consultants: BZ WBK, KPMG, Weil Gotshal & Manges);
- prospectus to be filed with PFSA by end of year
- high prices of global leaders in distribution sector around the world 13 P/E (Ingram/TechData)

- In carrying out cooperation between the Fund and the company, we expect to continue improving operational performance.
- The company is in the process of updating the strategy for 2010-2012;
- further information:
  - Michał Rumiński, Member of the Board of ABC Data: <u>ruminski@mci.eu</u>



## **ACHIEVEMENTS OF PORTFOLIO COMPANIES – GEEWA**

- since this May, three online games offered on Facebook
- currently, the "8-Ball Pool game" by Geewa is the most popular pool game on Facebook with daily gains in unique users reaching 2%
- it is Geewa's ambition within the next four years to become the global leader in casual online multiplayer games, by increasing the base of users on social networking sites, opening API interfaces for external developers and offering new games

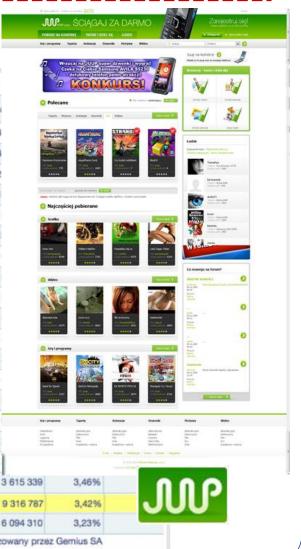


## ACHIEVEMENTS OF PORTFOLIO COMPANIES – TELECOMMEDIA

- The service <u>Juup.com</u> launched by the company (free mobile content) after only a few months reached the **Top 20 Megapanel** (19<sup>th</sup> place) in the category New Technologies
- The company constantly develops its portfolio of *mobile advertising clients* and strengthens its leading position
- The company forecasts net profits amounting to PLN 1.8 m in 2009



Liczb	Użytkownicy (real users)	Nazwa	
	4 131 152	Grupa Interia.pl - Nowe technologie	1
-	3 390 432	Grupa Onet.pl - Nowe technologie	2
2	3 305 434	dobreprogramy.pl	3
9	2 845 107	Grupa IDG - Nowe technologie	4
	1 900 782	Grupa Gazeta.pl - Nowe technologie	5
- 3	1 823 705	Grupa Wirtualna Polska - Nowe technologie	6
	1 635 116	instalki.pl	7
	1 196 469	SoftMania.pl	8
	1 104 288	frazpc.pl	
	1 015 256	p ogramosy.pl	0
	787 467	downpad.net.pl	1
	761 438	bfmsa.com.pl	2
	751 368	Gupa CATA STpl - Nowe Technologie	3
	720 966	poblez.pl	4
	693 641	telepoix pl	5
	669 995	Grupa Axel Springer - Nowe technologie	6
	649 749	cnet.com	7
	578 751	chip.eu	8
	573 019	juup.com	19
	540 196	wapster.pl	20



## ACHIEVEMENTS OF PORTFOLIO COMPANIES – ONE-2-ONE

- the Board supports the published forecast of sales (continuing operations) at PLN 55 million, result of EBITDA (from continuing operations) at the level level of PLN 1 million for the year 2009 and PLN 2 million for the second half of 2009, as well as positive financial results from continuing operations
- it is the result of the consistently pursued strategy of the Company, consisting in focusing on core business on the Polish market and strengthening relationships with customers

Since the beginning of 2009 the **stock price grew** by about 155%



**Telewizja Polska SA** signed on November 2<sup>nd</sup>, an agreement with One-2-One Group for handling Premium SMS traffic on its networks. Value of the ordered services will amount to around PLN 60 million within the next two years.



#### ACHIEVEMENTS OF PORTFOLIO COMPANIES – TRAVELPLANET

#### Travelplanet.pl – Number 1 in online travel





- revenues realized by Travelplanet in September amounted to PLN 14,521 thousand, an increase of 5% compared to September 2008
- in a report of 23 September, PKO BP Brokerage House analysts raised their recommendation for Travelplanet from "sell" to "accumulate;" the target price of shares was set at PLN 18.05



### ACHIEVEMENTS OF PORTFOLIO COMPANIES – NAVIEXPERT

- NaviExpert introduces the new 5.0 version of its mobile navigation software
- the application gained the unique function to search for POI /points of interest/, the POI database was enhanced with many new attributes and the feature to share POIs/coordinates via SMS
- at the same time, NaviExpert opens its system to the mass user – in the new offer, owners of compatible mobiles may use the Atlas of Poland free of charge
- NaviExpert continues cooperation with its Russian partners – delivering the new version of software in Russian (mainly for Samsung phones).





### **ACHIEVEMENTS OF PORTFOLIO COMPANIES – INVIA.CZ**

#### 18<sup>th</sup> place in the ranking **"Deloitte Technology Fast 50** Central Europe"



this ranking is a summary of the fastest growing technology companies in Central Europe, based on company revenue growth over the period of five years



## **ACHIEVEMENTS OF PORTFOLIO COMPANIES – GENOMED**

- reached positive EBITDA profitability within a year (1.10.2008-30.09.2009);
- developed its offer of molecular diagnostics to 40 genetic tests in the scope of, among others, infertility, cardiology, neurology, oncology and ophthalmology;
- received financing in the amount PLN 2.2 m to implement cutting-edge technologies in medical diagnostics.







## **RESULTS FOR Q3 2009 AND PLANS FOR THE NEAREST FUTURE**





#### **RESULTS AFTER Q3 2009**

in million PLN	whole 2008	Q3 2009	Q1-Q3 2009
UNIT NET RESULT OF MCI	21.58	14.86	24.38
CONSOLIDATED NET RESULT OF MCI	21.55	14.29	25.65
TOTAL CONSOLIDATED ASSETS	300.01	342.60	342.60
TOTAL NET CONSOLIDATED ASSETS OF MCI	207.96	239.33	239.33

#### The financial results of the MCI Group for Q3 2009 were significantly influenced by:

- generating revenues from managing investment funds in the amount PLN 1.26 m (gross revenues);
- the increase in valuations of managed funds' assets resulting from, among others, increase of stock prices of companies listed on WSE, improvement of efficiency of portfolio companies and the constantly improving results generated by those companies in 2009.

After Q3 2009, MCI generated the consolidated net result comprising over 119% of the annual result in 2008.



#### **SHARES OF MCI IN 2009**





#### **NEW INVESTMENTS**

• the fund finalised its first investment





- now the fund is finalising the second one
- possible estimated time of completion: Q1 2010



MCI TV has executed a new investment using the potential of the market

- the leader on the rapidly developing e-book market in Poland.
- the largest electronic publisher in Poland, focusing on practical guides in the field of motivational literature, issued in the form of an e-book and print (on demand); it also publishes audiobooks.

# CEE IS THE PLACE TO BUILD THE NEXT GLOBAL



 HTL-Strefa – manufacturer and exporter of medical products

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 in early October, the EQT Fund announced a call for 100% shares of HTL



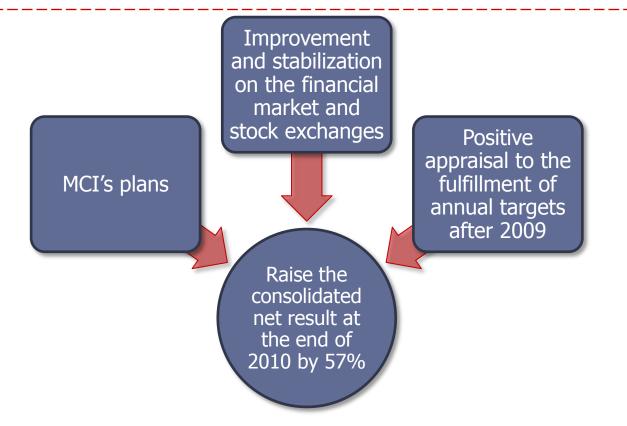
- AVG Technologies global manufacturer of security software
- the TA Associates Fund acquired from Polish Enterprise Fund V a minority share package in AVG
- it was one of the largest transactions this year, and one of the largest in the last few years in the PE sector in CEE







#### **FORECAST FOR YEAR 2010**



- Raise of the consolidated net result at the end of 2010 to about PLN 67M (est. PLN 42.5M in 2009)
- Basic components of the growth will include revenue from fund management and, above all, growth of owned assets resulting from the improving situation in portfolio companies of the investment funds managed by the MCI capital group

The forecast is based on the assumption that by the end of 2010, the MCI Capital Group will manage assets worth around PLN 545M (including total investment commitment of managed funds) and the economic sityation will not grow worse

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## DISCLAIMER

This presentation is not an offer within the meaning of the law. This presentation has been prepared based on the best knowledge of MCI Management SA Company and on the day of publication contained up-to-date data.





#### **MCI Management SA**

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