

## **20% increase of the value of MCI assets since the beginning of 2008.**

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Continuation of exits from investment portfolio – sale of ITG SA and MBO of ABC Data Holding SA.

After the first three quarters of 2008 the value of assets of MCI Management SA (MCI) at consolidated level was PLN 284 million and it has grown from the beginning of the year by 20%. The unit net profit of MCI in that period reached PLN 25.3 million, whereas the consolidated net profit was PLN 26.3 million. The financial report for Q3 2008 was published on November 12, 2008.

After the third quarter of 2008 MCI still maintains the value of the consolidated net result and the value of assets at the level close to the results of MCI from the 1st half of this year. The book value of MCI assets (based on EVCA guidelines) as of September 30, 2008 was PLN 284 million and it grew by 20% compared with the value of assets at the end of December 31, 2007 (PLN 236.5 million.) Only in the 3rd quarter 2008 at consolidated level the net result grew by PLN 1.1 million. After necessary corrections at the end of September 2008 in the scope of deferred income tax the financial results of the company both unit and consolidated are at the level close to each other. In the light of the world financial crisis and continuous drops in valuation of listed companies the results of MCI should be considered highly satisfactory.

During the first three quarters of 2008 MCI successfully finalized the complete exits from Technopolis, Finepharm and ITG as well as MBO of bonds convertible into shares in ABC Data Holding SA for the summary amount of PLN 30.5 million which represents over 94% of the sum of divestment transactions conducted in the whole year 2007. Compared with the sum of exits conducted in the comparable period of the first three quarters of 2007 (PLN 27.1 million), MCI recorded an increase by 13%.

MCI closed the first three quarters of 2008 with three new investments in: Genomed

(biotechnology/medical diagnostics sector), Invia.cz (e-commerce tourism sector) and Belysio (mobile community applications sector). Furthermore, MCI conducted next investment rounds to the companies from the existing portfolio in the considerable amount of PLN 33.8 million (bonds convertible into shares in ABC Data, Nexcom, Grupa Lew, NaviExpert, NetPress, Web2). By the end of this year next 3 new investments are scheduled, which shall assure the maintenance of the level of investments from 2007. As far as the value is concerned, however, the sum of the investments (new and next rounds of financing) during the first three quarters of 2008 reached PLN 53.0 million and it exceeded the level of investments at the same time in 2007 by 156%.

As a result of next rounds of financing the portfolio companies MCI significantly increased its shareholding in the following companies: Nexcom – up to 33.5%, Grupa Lew – up to 29.6%, NaviExpert – up to 60.0%, Netpress – up to 41.6% and Web2 – up to 66.7%.

DomZdrowia.pl successfully debuted on the NewConnect market and its exchange rate on the first day of quotations grew by 10.34%. Bankier.pl and S4E recorded very good financial results after Q3 2008. MBO process ended in ABC Data Holding SA and the operational optimization project began, taking into account the expected economic slowdown.

The third quarter was also successful for the portfolio companies of MCI in the business area:

- MobiTrust (a company from One2One group) signed an agreement with Polkomtel SA on the basis of which electronic signature in the mobile telephone will be offered by it in Poland still by the end of this year;
- NaviExpert in Q3 2008 attracted 95,000 paying navigation customers, began to cooperate with Wirtualna Polska and extended its cooperation with Orange (Navifon navigation);
- NetPress Digital, the leader in the market of digital publications, launched nextoAPI system which is an online wholesale warehouse with digital products from the Nexto.pl website – the system provides for a presentation and sale of digital publications directly in any website;
- Belysio, a mobile platform (mobile social networking platform) operating on mobile telephones; at the beginning of August 2008 it launched the commercial version of belysio and today it has 25,000 registered users.

In the scope of fundraising projects MCI conducted a non-public issue of new shares in Q3 2008 for the amount of PLN 24.6 million taken up by Mr. Tomasz Czechowicz and Czechowicz Ventures Sp. z o.o. at their issue price of PLN 7.70 per share. The work

continues on the second public issue of the company, creating a new MCI.EcoVentures fund (to invest in the sector of clean technologies), raising capital to the new MCI.TechVentures 2.0 fund.

Work began on the development of distribution of MCI investment certificates to individual clients. The launch of Helix Ventures Partners Closed-End Investment Fund – an “early stage” type fund with target value of PLN 40 million is expected in Q4 2008.

In reaction to the recent dynamic changes in the market some activities have been taken adjusting to the expected deterioration of the economic cycle in 2009. MCI is planning to focus on improving the financial results of the portfolio companies (the key objective is to cause the independent financing of the portfolio companies and reaching the break-even point by 90% of them.) Furthermore, MCI is going to make selective investments in the companies in their early stage of development. The investments in the area of buyouts and expansion shall be correlated with the activities connected with capital raising (MCI.TechVentures 2.0, public issue of shares, certificates of sale of the funds to individual clients.)

In spite of satisfactory results after the first three quarters of 2008 the external situation has deteriorated significantly; taking into account the expected substantially lower valuations of the stock exchange companies in September and October, the Management Board of MCI has decided to cancel the official forecast of the results for 2008.

To the large extent the results of MCI depend on the changes in valuations on the stock exchange markets – about 23% of MCI assets are listed directly on Warsaw stock exchanges and NewConnect, whereas the valuation of 57% of assets partly depends on the valuations of stock companies in Poland and abroad (comparison valuation method.) During the first three quarters of 2008 WIG index fell by 32.8%. Substantial falls in the valuations of Warsaw stock exchange companies took place again also in October and they shall affect the results of MCI in Q4 2008.

In the light of so changeable and unpredictable financial market the Management Board of MCI has not decided to publish the new forecast of its results for this year.

“Despite highly unstable situation of the financial and stock exchange markets in Poland, we expect MCI to maintain the positive double digit net result at the end of the year” – said Roman Cisek, Director of Operations, MCI Management SA.

About MCI Management SA:

- The leading Private Equity group in Central Europe managing Venture Capital and Private Equity funds, including MCI.TechVentures 1.0, MCI.BioVentures 1.0 and

## MCI.EuroVentures 1.0.

- MCI Management SA specializes in investments in the region of Central and Eastern Europe in innovative companies operating in the following sectors: TMT, Financial Services, Medical Services and Lifescience/Biotechnology.
- Since February 2001 MCI has been quoted on the Warsaw Stock Exchange.
- To date MCI Group has made in total 33 projects investment, 12 complete 7 and partial exits from investments.