

# After good results in third quarter 2010, the MCI group raises annual forecast

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After Q3 2010, MCI Management SA recorded the unit net result 141% higher than in the respective period of the previous year, while the consolidated net profit rose by almost 152% compared to the third quarter of 2009. The Board of MCI has decided to raise the forecast of the net result for 2010 from 67 to 78 million PLN. The financial report for Q3 2010 was published on 15 November 2010.

## FINANCIAL SITUATION

The consolidated net profit that the MCI group generated in the third quarter was 35.98 million PLN. The value of consolidated assets rose to 455.03 million PLN, while the consolidated net assets rose to 347.69 million PLN. Following the verification of the company's plans and estimated results in the fourth quarter of 2010, the Board of MCI Management SA has increased the forecast profit at the end of 2010 to 78 million PLN. "We are very satisfied with the results recorded in third quarter. They show the strategy that we have adopted is appropriate and the carefully selected investments are spot-on. It is also reflected in the various analytical reports giving praise to MCI stock, which received the "buy" recommendation. We also positively evaluate the dynamics of growth of the new funds of MCI and the current cash standing of the Company. With even greater satisfaction we raise the forecast of net profit for the end of 2010 by over 15%." said Tomasz Czechowicz, President of MCI Management SA.

## NEW FUNDS

On October 31, 2010, an agreement was signed between MCI Management SA and Immoventures Sp. z o.o on the basis of which a fund of real estate assets, MCI.ImmoVentures FIZ, will be created. The new fund will take over 42 million PLN in net assets from Immoventures Sp. z o.o. The launch of the real estate fund is an element of MCI's strategy for the year 2010 and the coming years. The Polish market of managing real estate investments today has no definite leaders. By entering into this type of assets, MCI Management SA wants to take advantage of the favorable moment

for investments on the market to create a leading entity managing real estate investments in Poland. The fund managers foresee a professionalization of the Polish real estate market in the future, when managing assets will be separated from construction development activities. The Board of MCI sees a large growth potential for the whole Group in this area and an opportunity for significant growth of the value of assets under management in this segment, parallel to the already developed segment of technology venture capital, expansion and buyouts and lifescience/health care. The investment strategy of MCI Immoventures FIZ assumes investing in projects within four areas:

- so-called special situations • acquisition of foreclosed assets (NPA) from banks, operational companies and entities undergoing liquidation (companies, land, development projects, buildings),
- package transactions with developers • large transactions that enable acquisition of attractively discounted real estate at development level or ready to sell,
- investments in the hotel and recreation sector • acquisition of land and projects for construction development of recreational facilities and hotels in cooperation with potential partners,
- financing of mezzanine real estate projects.

According to the declaration of Tomasz Czechowicz, in connection with MCI Management SA taking over from Immoventures Sp. z o.o. all shares of ABC Data (Q1 2010) and the real estate assets (to the end of 2010), Immoventures Sp. z o.o. will change the name of the company to MCI Alternative Investment Partners Sp. z o.o. By the end of 2010, the company's assets will predominantly include (99%) shares and bonds convertible shares of MCI Management SA. In the future, the company plans activities in the way of investments in alternative assets through instruments issued by MCI Management SA (shares, convertible bonds, other structured investments issued by MCI).

Additionally, and the moment work is underway on launching a fund investing in clean technologies and a fund investing in the proximity of the public and financial sectors.

## NEW INVESTMENTS

In the third quarter of 2010, the funds managed by MCI have signed a total of three investment agreements.

In August, Helix Ventures Partners signed an agreement with eBroker.pl • provider of financial comparison engine. eBroker, although operating on the market for only one and a half years, is already a profitable project with a strong position on the Polish market, a broad range of developed services and with appropriate tools at its disposal

to support its business activities. Financial comparison websites are a relatively young, but rapidly growing trend of online services. The service enables the client to choose the most appropriate offer of loans and insurance available on the market.

In September, further investments were made by MCI.BioVentures and MCI.TechVentures.

MCI.BioVentures acquired 50% of shares in the company MED CASCO, within the first round of financing. The proposed innovative product and business models enable MED CASCO to reach high profitability in the scope of two years since the investment. MED CASCO will offer innovative health insurance. The innovation in this project consists in combining insurance and banking service, which will result in the client being able to use any medical facility and hospital in the whole country. The market of healthcare insurance in Poland, where the company will operate, has a very high growth potential. MCI.TechVentures signed an investment agreement with Net Retail Holding BV, the company operating MALL.CZ, the leader on the Czech e-commerce market. The investment was executed in cooperation with Intel Capital – MCI and Intel invested a total of €10 million. It is a consequent realization of the previously signaled strategy of the fund consisting in investing in companies at growth stage, operating in developing segments on the Central Eastern European market. In our opinion, NRH has the potential for further expansion in the region and strengthening its position. MALL.CZ was founded in 2000. During the 10 years of its operations, it has gained the leading position in online sales on the Czech market; it also operates on the Polish, Hungarian, Slovak and German market, constantly developing the assortment of offered products and implementing solutions facilitating customer service, stock management, suppliers and finances. Its effective IT infrastructure protects the store from shutdowns and guarantees secured transactions to its clients.

#### MOST IMPORTANT EVENTS IN PORTFOLIO COMPANIES

– ABC data: registration of a subsidiary in Lithuania; ABC Data on the list of “eight rockets” of the WSE (analysts asked by Puls Biznesu picked the companies that may surprise investors with good information and higher stock prices; a significant financial investor in the shareholding, Aviva OFE Aviva BZ WBK, gained over 5% of all votes in ABC Data; – BUY recommendation for ABC Data in the reports of BZ WBK and AmerBank; settlement signed with OPTIMUS – the matter was solved amicably, the settlement between the parties is beneficial to both;

– Genomed: the first company in Poland to purchase a genome sequencing system from Roche company to be used in genetic diagnostics; concluded an agreement concerning the launch of a first in Poland Ph.D. study program in “Bioinformatics” with

the Polish-Japanese Institute of Information Technology and the Oncology Center at the Institute of Maria Skłodowska-Curie, department in Gliwice. The program received funding from the Operational Program Human Capital of the European Social Fund;

• Navi Expert: NaviExpert Play 6.0 – as the first public transportation navigation system on the Polish market; Navi Expert Era Premium Edition received the prize Consumer Laurels in the category “Discovery of the Year” over 300,000 POIs in Navi Expert; over 660,000 registered users;

• Telecom Media: preparation to begin IPO process transformation into a public listed company; Piotr Pajewski joins the board of the Company, who is also responsible in MCI for managing selected companies from the portfolio of MCI.TechVentures and new investments of the Helix Ventures Partner Fund; revenues from mobile advertising tripled compared to H1 2010 strengthening its leading position on the market.

#### ANALYTICAL REPORTS

MCI’s development strategy, adopted by the board, has met with the approval of analysts from two brokerage houses, expressed in the recently published analytical reports concerning MCI. In the report of AmerBrokers (June ’10) MCI shares were evaluated between 9.37 to 10.90 PLN. While DnB NORD (July ’10) and BG&#x201E; BM (October ’10) gave their “buy” recommendation for MCI shares, evaluating them at 9.77 PLN and 8.76 PLN respectively.

#### CHANGES IN THE MCI TEAM

Magdalena Pasecka joined the team in September as a Senior Director. Previously, she pursued her career in Innova Capital (financial controller), KPMG Poland Sp. z o.o. (audit supervisor) and Alternative Assets AG.

Wojciech Marcińczyk became the new Financial Director from 2 September. Previously he worked in, among others, Exatel SA (financial director/board member), Billbird SA/Gtech/Lottomatica (financial director/board member) and Deloitte Business Consulting SA.