

# Experience pays off – financial results of MCI investment group for Q1, 2008.

16.05.2008

After the first quarter of 2008, MCI Management SA (MCI) realized a unit net result of 30.6 million zlotys and consolidated net profit of 28.8 million zlotys and thus, MCI fulfilled over 36% of the annual forecast for 2008. The financial report for Q1, 2008 was published on May 15.

In the first quarter of 2008 MCI accomplished positive financial results – consolidated net profits rose by 34% on Q1, 2007 (21.5m zlotys), and the unit result by 134% (in Q1, 2007: 13.1m zlotys). The book value of MCI assets (based on the EVCA guidelines) for the day March 31, 2008, amounted to 294.9m zlotys and increased by 14.5% on the value of assets at the end of year 2007 (257.5m zlotys).

The increase of book value of MCI assets in Q1, 2008, was caused by the revaluation of ABC Data Holding SA in connection with received offers to purchase this asset and the planned IPO, the stabilization of stock prices of MCI funds and the appreciation of Bankier.pl SA. The key events of Q1, 2008, within portfolio companies included:

- Czech company Geewa receives the prestigious Red Herring 100 award,
- DomZdrowia.pl prepares its IPO on New Connect market,
- Private placement of Hoopla.pl,
- Preparation of prospective acquisitions for S4E Company,
- Groundwork for IPO of ABC Data Group.

In Q1, 2008, MCI successfully executed the exit from Technopolis investment for 17.54m zlotys, which constitutes 54% of all exits executed in year 2007. Furthermore, with this exit MCI fulfilled 29% of the investment exits planned for this year (60m zlotys). Successive exits are planned for companies: Bankier.pl SA (20-30m zlotys), ABC Data (pre-IPO of 20m zlotys), and other investments (20m zlotys).

MCI completed three investment processes in companies: Genomed (Mid-Ticket in

biotechnology/medical diagnostics sector), Invia.cz (Big-Ticket in tourism e-commerce), and Belysio (Mid-Ticket in mobile social networking applications sector). Mid-Ticket investments are defined as investments valued at 1-10m zlotys target capital engagement, while Big-Ticket investments are investments of 10-50m zlotys. MCI funds are consequently working on the current investment pipeline: in MCI.EuroVentures 1.0 these are two Mega-Ticket transactions (valued at 50-200m zlotys), in MCI.TechVentures 1.0 two Big-Ticket transactions, and in MCI.BioVentures two Small-Tickets (worth below 1m zlotys). Moreover, MCI organized the TMT.Ventures Conference in Kiev, which enabled to gain a new promising investment pipeline on the Ukrainian market.

In terms of strategic projects, last quarter MCI was preparing the issuance of bonds convertible to shares (which is due to close end of Q2, 2008), and continued the process of transferring assets to CEF (Q3, 2008). Additionally, preparations have begun for a Cleantechnologies fund (MCI.EcoVentures 1.0), as well as work on completion of the HelixVentures fund, which is planned to launch in Q3, 2008.

“Thanks to many years’ experience in investments (MCI is the oldest private equity fund management entity), the company has seen very strong results in the first quarter of the year; being especially important against a background of weakening results of competing private equity groups. We expect this to lead to the improvement of competitiveness of MCI investment group” said Roman Cisek, Director of Operations of MCI Management SA.