

# MCI Group publishes results for Q1 2009

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After the first quarter of 2009, MCI Management SA has improved its financial results. These are the best results within the last year. The unit net result reached PLN 7.0M and the consolidated net result was PLN 8.4M. The financial report for Q1 2009 was published on 13 May 2009.

The consolidated net profit that the MCI Group generated in Q1 2009, comprised over 39% of the respective result in 2008. The value of consolidated assets under management grew to PLN 302.8M and consolidated net assets to PLN 214.7M.

During the first quarter of 2009, the MCI Group generated the first significant profits from fund management (PLN 2.07M) that resulted in generating gross revenues of PLN 1.70M. The transfer of MCI.BioVentures Sp. z o.o. to the dedicated investment fund and the increase in value of fund assets held by the MCI Group have significantly influenced the generated consolidated net profit.

The first quarter was, among others, a time of intensified work on improving the efficiency of portfolio companies. The present crisis situation is favorable to increase the competitiveness of many companies in the MCI portfolio, thus turning companies in good financial condition, especially in the e-commerce or mobile technologies sectors, into beneficiaries of the crisis. One example is ABC Data; despite the difficult situation in the whole industry the company increased its net profits by 143%, increased its EBITDA by 57% (to the level of PLN 13.4M), increased net margin by 30% while lowering bank debt by 40%.

A confirmation of the very good valuation of ABC Data by international partners is the contract concluded with Dell concerning the cooperation and distribution of business and consumer goods by ABC Data on an exclusivity basis.

Other examples confirming the good condition of portfolio companies include a number of contracts and investments that have recently been concluded:

• Bankier.pl – the implementation has been completed of a new version of the Partner System – an affiliate platform based on mediating product sales;

• 4Med – the signing of an agreement with LG Electronics for medical care of 3,000 people in the special economic zone;

• Genomed – the opening of own private clinic, thus enabling to provide services in medical genetics;

• Telecom Media – the launch of social networking portal, JUUP – a mobile content community ([www.juup.com](http://www.juup.com)) that enables mobile phone users to share multimedia content.

Some portfolio companies like, e.g. NaviExpert have reached the so-called breakeven point, which only confirms the right management policies in those companies, as well as the legitimacy of MCI's decision to limit new investments in portfolio companies.

“We want to take advantage of the present difficult times to further improve the cooperation with portfolio companies, so that the crisis situation would contribute to strengthening their competitive position. It will enable us to better utilize the improvement of the market situation in the future. Some of our portfolio companies are actively working in the field of mergers and acquisitions, taking advantage of the period when valuations are low to execute the most favorable transactions. Companies with solid foundations, being the leaders in their sectors, now have a unique chance to increase market share; a chance that will soon pay off.” – says Tomasz Czechowicz, President of MCI Management SA.

“Good results of portfolio companies will be an occasion to submit motions to the general meetings of those companies to allocate part of their profit to pay dividends to the shareholders.” – adds Tomasz Czechowicz.

Another confirmation of the very good results of MCI portfolio companies are the numerous awards and distinctions granted in the first quarter of this year:

• ABC Data – was ranked 71st in the “Polityka 500” – a listing of the largest Polish companies and the 100th place in the ranking “The 500 list. Poland's biggest companies”; the title of Best Distributor in CEE region by representatives of world's biggest IT manufacturers; the third place of ABC Data s.r.o. from Czech and ABC Data s.r.o. from Slovakia in the “Distributor of the Year” ranking on local, Czech and Slovak markets, respectively.

• Bankier.pl – second place in the ranking of Puls Biznesu for the best stock exchange company; the media survey performed by the Polish Association of Stock Exchange Issuers found Bankier.pl as the highest rated in the category “economic portal”.

~ S4E 1st place in the ranking of Puls Biznesu of companies with the lowest PEG ratio listed on NewConnect.

In the first quarter, work on the creation of a new fund, Helix Ventures Partners FIZ was completed. It is the first fund in the history of the MCI Group with such invested capital structure. For the first time a Private Investor has joined the group of investors. It is also worth mentioning that HVP FIZ will be the first fund in Poland co-funded by the NCF that received a permit from the PFSA. At the moment, the fund is working on preparing new investments.

Mr. Andrzej Olechowski also expressed his trust in MCI Management by accepting the invitation to participate in the Supervisory Board of the Company. Andrzej Olechowski, former minister of finance and foreign affairs, the European vice-president of The Trilateral Commission and executive member of the International Center for the Development of Democracy, Centre for the Advancement of Women Foundation, Institute of Eastern Studies, Eastern Club, Euro-Atlantic Association, Stefan Batory Foundation, Polish Faculty at the University of Jerusalem, HEPAR, Institute of Public Affairs and Public Diplomacy of Polish Institute of International Affairs, Socio-Economic Association, he is a member of the Supervisory Board since 12 May 2009. He replaced Krzysztof Rybiński as Member of the Supervisory Board, who resigned on 24 February, 2009. The reason behind his resignation was assuming a new position that excluded his membership in supervisory boards and other bodies of commercial companies.