

# MCI group publishes results for the first quarter of 2010

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After the first quarter of 2010, MCI Management SA recorded a net unit result over 217% higher than in the corresponding period of last year, and the consolidated net profit increased by almost 167% compared to the first quarter of 2009. The financial report for the first quarter of 2010 was published on 11 May 2010.

The consolidated net result, which the MCI group generated in the first quarter of 2010, amounted to 22.5 million PLN. The value of consolidated assets under management grew to 370 million PLN, while consolidated net assets grew to almost 289 million PLN.

“We are very satisfied with the results of MCI in the first quarter of 2010. This was possible, in most part, thanks to the dynamically growing value of assets of the MCI.TechVentures 1.0 subfund fueled by good business and financial results of its portfolio companies. Today, we feel very comfortable about our net result forecast for this year; we are planning to address it after the second quarter, that means after the completion of the IPO process of ABC Data SA.” said Tomasz Czechowicz, President of the Board.

In January, MCI executed a partial exit from the company One-2-One on behalf of an industry investor, who has both experience and competence gained in the mobile services industry, which enabled the board of the company to pursue the strategy of building value for its shareholders even more effectively. Then in April 2010, MCI executed an almost complete exit from One-2-One on behalf of financial investors. The changes in shareholding of One-2-One since the beginning of the year reflect the changing position of the company on the market. The segment in which the company operates is crystallizing, and the growing turnover of the whole One-2-One Group, indicating the company, and the whole industry, is entering a higher level of development. In the whole period of engagement in the company (2002 until 2010),

MCI realized an exceptionally satisfying average annual rate of return (IRR) of over 103%.

MCI also finished its investment in the company S4E following the full exit and sale of held shares comprising 40.09% of the company's capital. The transaction realized the strategy to exit from S4E, which was announced last year, as one of MCI's oldest investments. The share buyers included: Roman Pudełko (shareholder and President of the Supervisory Board of the company) Ingaliil Holdings Limited. MCI, through more than nine years of the investment, realized the average annual internal rate of return (IRR) of almost 17%. The transaction price was 6.25 PLN per share, which was significantly higher than the average price of S4E stock over the last six months.

Most important events in the portfolio companies:

- ABC Data: on April 30 2010, the PFSA approved the emission prospectus of the company; the IPO planned for May/June is to bring the company financial assets for consolidation of the market, and then obtaining the position of the regional leader on the distribution market; ABC Data's strategy assumes strengthening its leading position in distribution of IT products in Poland and achieving the status of the largest distributor in the region of Central-Eastern Europe, in 2010, the company plans to commence operations in Lithuania, the primary direction of geographical expansion is the new EU member states (CEE), where the company plans to make acquisitions of other distributors, who should have signed distribution agreements with major IT manufactures and a distribution center, ABC Data also plans automation of the logistics-warehousing center in Warsaw; the EMEA channel academy 2010 award in recognition of excellence in distribution;
- Digital Avenue: acquisition of Styl.Media Sp. z o.o. (publisher of lifestyle Internet portal for women - Styl.fm) - the company, which in 2009, generated over two million PLN in revenues and 376k PLN EBITDA.
- One-2-One: The Ministry of Agriculture and Rural Development launched a new website, prepared by the company from the O-2-O Group, Comtica; partial exit by MCI from the investment on behalf of an industry investor; partial exit of MCI from the investment on behalf of Financial Investors;
- S4E: full exit of MCI from the investment through MBO;
- Telecom Media: preparation to begin the IPO process;
- Genomed: preparation to begin the IPO process on NewConnect market;
- Navi Expert: Golden Antenna of the Telecommunications world in the category Service of the Year 2010.

On 22 February 2010, MCI announced the forecast assuming growth of the consolidated net result by approx. 51% to the result realized in the year 2009 (44.4 million PLN). The primary components of the result in 2010 will be the growth of value of held investment assets and the revenues generated from fund management. The forecast was based on the assumption that the MCI management SA Capital Group at the end of the year 2010 will have managed assets worth more than 545 million PLN (including full investment commitment of the funds managed at the beginning of this year). The board intends to review the forecast after the second quarter of 2010; that is after the completion of the IPO process of ABC Data SA – an event that will have significant influence on the realization of the planned results of the company.

On 7 April 2010, as part of the settlement of the purchase of additional shares of ABC Data SA, Immoventures Sp. z o.o., singularly assumed the package of 4,597,250 pieces of newly issued shares of MCI Management SA worth 23.4 million PLN. Currently, the shares are being registered in the National Court Register.

Following the previously presented strategy, the Helix Ventures Partners FIZ fund, co-managed by MCI Management SA and Helix Ventures Sp. z o.o., executed its first investment. The agreement negotiated in 2009 was signed in January 2010. The fund invested around one million PLN in the mSejf project. It offers – software as a service – enabling to make online backup copies of data – and most importantly – to make a simple and quick recovery if data is lost (due to failure, damage or theft). The application is automated; data is transmitted over the Internet and stored on secure virtual servers. The data, both during transmission and storage, is encrypted – which guarantees full network security. The service is addressed to both individual users as well as companies who do not have data storage infrastructure or employ mobile employees. The agreement has been signed with the XSolve Group.

At the beginning of the year, the competences of the MCI management team have been complemented by Jacek Murawski, who supports MCI with his managerial experience and broad knowledge of new technologies and the telecommunications market. Jacek Murawski is responsible for new investments (acquisitions of companies from the sectors of Internet, telecommunications, media and new technologies) and development of new funds in the MCI portfolio. Thanks to his knowledge and experience, the portfolio companies will be able to adopt the highest standards supporting building their value.