

MCI Management invests in Netia

15.05.2014

A company controlled by MCI.PrivateVentures Closed-Ended Investment Fund, a buyout fund of MCI Group, has acquired 5 % shares in Netia S.A.'s share capital in regulated market transactions.

The investment team continues its work on acquiring new investment projects for MCI's portfolio. Following the closure of first-quarter investments in the Group of Wirtualna Polska, Feedo, Hojo.pl, mGenerator and Focus Telecom Polska, Netia S.A., Poland's largest alternative fixed-line operator, joined the list of assets developed by the company.

According to information provided by Cezary Smorszczewski, MCI President, starting from March 2014, MCI Group intends to strongly increase its buyout investments. The block of more than 5 % shares in Netia's share capital was purchased by Navicorp Trust Polska Spółka z ograniczoną odpowiedzialnością 3 S.K.A. having its registered office in Warsaw, 100 % owned by MCI.PrivateVentures Closed-Ended Fund with a separate subfund MCI.EuroVentures 1.0, in which MCI holds 100 % of investment certificates through its subsidiaries. MCI.EuroVentures 1.0 specializes in this type of investments.

"It is one of the pillars of our investment strategy to invest in digital ecosystem, i.e. companies operating on the internet infrastructure development market. Netia perfectly fits the model," says Cezary Smorszczewski, President of MCI Management S.A.

Apart from investing in digital ecosystem, MCI also plans to engage in digital disruption projects involving pure players, as well as in digital adaptation, i.e. business models which, after attaining the leading position in traditional economy, intend to dynamically develop using opportunities offered by the Internet.

Earlier, MCI Group also informed that by the end of the current business year, which ends in March 2015, it intended to gain PLN 100 million from the sale of assets and

dividends from its portfolio companies.

“Netia’s position is that of the largest alternative fixed-line operator in Poland, and it goes perfectly in line with our investment strategy,” says Piotr Czapski, Senior Advisor and Supervisory Board Member of MCI Management S.A. *“What is important is the fact that the financial position of the company is such that it is possible to pay high dividends,”* he adds.

On 13 May 2014, MCI Group published its results for Q1 2014. In this period it generated a consolidated net profit of PLN 108.5 million. In the first quarter of 2014, the value of the company’s assets under management amounted to PLN 1.3 billion, as compared to PLN 838 million in the first quarter of 2013. Net assets amounted to PLN 873 million, compared to PLN 582.1 million at the end of the first quarter of 2013, and its net asset value per share amounted to PLN 14. The forecast announced in December 2013 assumed an increase in net asset value per share from PLN 12.20 at the end of 2013 to PLN 16.50 at the end of 2014, which means that after the first quarter of 2014, half of the planned increase has already been attained. Additionally, MCI plans that its investment level throughout the year will not be lower than PLN 305 million.