

MCI Management S.A. is investing in e-press.

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MCI Management S.A. signed the investment contract with NetPress Digital Sp. z o.o. on March 28, 2007. Within the frames of this contract between MCI and Zakłady Graficzne Taurus Stanislaw Roszkowski Sp. z o.o. a new entity will be established on the basis of transfer of undertakings of NetPress assets and 1.5 million PLN financing will be provided by MCI in 2 tranches. The core business of NetPress is the production and distribution of digital versions of magazines and textbooks.

The company has exclusive rights to represent Zinio Systems Inc, (a world's leading publisher of digital magazines and textbooks headquartered in the USA) on the Polish market. The investment of MCI will amount to 1.5 million PLN and will be split into 2 tranches to be provided within 18 months from signing the investment agreement. The first tranche amounts to 600,000 PLN and for this money MCI will acquire 33.3% shares in Netpress Digital. When the second tranche will be provided, MCI will increase its shareholding to 49.9%. Taurus Sp. z o.o, which is a partner in this venture, will make the transfer of undertakings in the form of assets owned by NetPress -Digital Magazines Distribution Department.

NetPress is a pioneer on the Polish digital press market and a leading company in terms of a number of published e- magazines and text books and the scale of operations. The monies from investment made by MCI will be spent on the development of technology platform, which will enable NetPress to expand into new business segments, improve promotional and marketing activities and enlarge the market offer with the new products (e-books and audio books).

As far as NetPress investment is concerned, MCI bet on the best leader in its business, which is still in its initial stage of development. On one hand this investment is a great challenge for us, but on the other hand it can generate well above average rates of return. Bartłomiej Roszkowski was a key person, who persuaded us to make this investment because he created NetPress from the scratch and despite of his young age, he has unique managerial skills. Another important aspect was the co-operation with Zinio, which provides access to the latest technological developments in e-press

said Maciej Kowalczyk, Investment Director in MCI, who is responsible for NetPress project.

“We chose MCI as our business partner, because we believe that their know-how in successful development of early stage technology companies combined with the experiences that NetPress gathered during its short period of operations (over 12 months) will help to create the greatest market leader. We also count on MCI support for our international expansion into the region of Central and Eastern Europe. Still this part of the world is not fully explored by Zinio. We also managed to agree our common vision for the future development of NetPress and this was particularly crucial for me as I created the services offered by my company.” said Bartłomiej Roszkowski, Director of NetPress - future Chairman of the Board in Net Press Digital.

About NetPress

The company sells its products on line at www.netpress.pl where potential clients can choose from more than 30 publishers and around 100 newspapers and magazines. NetPress offers also several dozens of e-books, but this activity is still in its early development stage. To use the services offered by NetPress it is necessary to install a free reader application (Zinio Reader) invented by Zinio. This software enables to read the magazines in digital version, which is the exact copy of a printed magazine with its full content. The versions of the magazines are also counted by the Audit Bureau of Circulations into the total circulation volume. Digital versions, which are in Zinio format have some extra features: search engine, notes taking, and reading off line. Zinio technology allows having different interactive elements, which makes digital press more attractive. Some simple additional features include: interactive links to the web pages of advertisers and also advertisements, which can be added in multimedia form. In the future the enhanced content will also include links to other web pages dedicated to topics related with the published article or some movie previews and even blogs related to the topics covered by the articles. Another benefit of any digital form is its availability, because the digital version is available for readers even before the printed one reaches the newsstand and the reader does not have to go outside to buy a magazine. This feature can have a particular value for people, who travel a lot or who work abroad, but they want to have access to the latest information from their home country. Magazines sold through NetPress can be read both on-line and off-line and electronic form, which does not involve any printing and distribution costs, allows the e-press to be cheaper than printed versions.

Despite the fact that the digital press market in Poland is in its early development stage, NetPress has managed to get lots of customers, who placed the orders for more

than 500,000 issues of different magazines since the inception of Zinio project in Poland in October 2005. In the world this form of sales has been developing very fast since the beginning of XXI century. Zino Systems started its operations in March 2000 and so far has supplied more than 55 million issues of electronic magazines using its servers.