

MCI Management SA publishes results for 2009

10.03.2010

The MCI Management SA Capital Group generated the consolidated annual net profit of PLN 44.4 million (that is 106% better than in 2008), while the value of consolidated assets at the end of the year increased to 333.7 million PLN. MCI sustains the high rate of return on its investments in this part of the economic turmoil in the last several months.

The total average net rate of return on investments realized by MCI, in the period from the beginning of its activities to the end of 2009, computed as the sum of full and partial exits, amounted to 19.89% a year, while for the whole portfolio (additionally including book valuations as on December 31 2009 less management costs) it was 19.56% a year. During 2009, these indicators grew by over two percentage points in comparison to the end of 2008, thus confirming the position of MCI among the top private equity funds in Europe.

In 2009, MCI recorded a significant increase in value of consolidated assets compared to the year 2008. The value of consolidated net assets (NAV) of MCI after four quarters of 2009 reached 266.0 million PLN, growth of 29% to the equivalent period of last year (PLN 206.2 million). The value of assets under management (AUM) at the end of 2009 amounted to 418.4 million PLN (including the full investment commitment of managed funds and fulfillment of investment commitments from 2009).

“Results these good are the effect of successful realization of the most important priorities of the group last year, which contributed to the dynamic growth of value of assets held by MCI. This growth was caused by an improvement in the economic situation and the results of our portfolio companies. Currently, the portfolio of MCI represents a significant economic value: the accumulated turnover of companies managed by our teams exceeds three billion PLN and the total EBITDA comes close to 100 million PLN. It is also noteworthy that in spite of the difficult economic situation MCI portfolio companies have earned profits, primarily allotted to pay dividends.” said, Tomasz Czechowicz, President of MCI management SA.

MCI is trying to develop newer and newer areas of operation. In 2009, two new investment funds managed by MCI began their operations, Helix Ventures Partners FIZ and MCI Gandalf Aktywnej Alokacji SFIO. Also of extreme importance was the commencement of the pioneer project of distributing investment certificates of the MCI.TechVentures 1.0 subfund to external individual investors. The issuing of three-year bonds convertible to shares of MCI, worth 50 million PLN, thanks to which MCI gained a new group of significant financial investors.

An economic downturn never favors exiting from an investment. Despite that, in 2009, MCI executed exit transactions worth 26.2 million PLN. These included, among others, the full exits from some of MCI’s oldest investments, Bankier.pl and S4E (this transaction was ultimately finalized in 2010), and a partial exit from company One-2-One.

The year 2010 creates significant chances for MCI, which the company intends to take advantage of in order to continue its dynamic growth. The main ones are: the limited activities of competitors connected with their needs to restructure their portfolios and difficulties concerning raising new funds; attractive valuations on the market of new investments, the improving situation on the disinvestments market as well as increased interest from international investors in the Polish market in connection with the two macroeconomic results compared to other countries in Europe and around the world.

“Our main priority will be new investments – we are counting on being able to finalize at least five new investments worth in total over 50 million PLN. We would like to emphasize subsequent buyout transactions in the areas of business process outsourcing, distribution/e-commerce and information technology as well as transactions connected with financing growth and expansion in mobile Internet, digital

entertainment and cloud-computing. Our plans for 2010 also include a series of exit transactions. We are planning to introduce at least two IPOs. In addition to the IPO of ABC Data, we are also considering offerings from such companies as Invia, Telecom Media and Genomed. Of course we will keep you informed about all these transactions.

â added Czechowicz.

Achievements of MCI portfolio companies:

- ABC Data -71st place in the âPolityka 500â of 2009 â the list of Polandâs largest companies and the one 100th place in the âLista 500. NajwiÄksze firmy Rzeczpospolitejâ of 2009; the EMEA Channel Academy awarded in 2009 and in 2010 for excellence in distribution; the process of preparing the company to an IPO is underway âin December 2009 the emission prospectus was filed two of their PFSA; the company resisted the crisis after three quarters of 2009 generating 26.936 K PLN EBITDA and 10.4% Y/Y EBITDA growth; since mid-2009 it is an exclusive distributor of Dell products in Poland.
 - Invia.cz â the company made the top 100 fastest developing technology companies in 2008, Deloitte Technology Fast 500 EMEA Ranking; acquisition of NetTravel âthe companyâs largest competitor on the Czech and Slovak markets; 18th place in the ranking "Deloitte Technology Fast 50 Central Europe";
 - One-2-One â the Gazelle Of Business 2009; the group signed on November 2nd, an agreement with Telewizja Polska SA for handling Premium SMS traffic on its networks (Value of the ordered services will amount to around PLN 60 million within the next two years; in proved forecasts for 2009;
 - TravelPlanet â number one in online person according to the rating of online stores 2009 prepared by Money.pl and Wprost;
 - Geewa â Since this May, three online games offered on Facebook and the "8-Ball Pool gameâ by Geewa is the most popular pool game on Facebook with daily gains in unique users reaching 2%; It is Geewaâs ambition within the next four years to become the global leader in casual online multiplayer games, by increasing the base of users on social networking sites, opening API interfaces for external developers and offering new games; in 2009 Geewa gained almost two million users and launched a new version of its portal Geewa 3.0;
 - Telecom Media - The service Juup.com launched by the Company (free mobile content) after only a few months reached the Top 20 Megapanel (19th place) in the category New Technologies; The company constantly develops its portfolio of mobile advertising clients and strengthens its leading position;
- Bankier.pl â on 17 February 2009, the company was awarded the portal of second best stock exchange company of the year 2008 in the 10th jubilee addition of the ranking of

Puls Biznesu, realized by Pentor Research International; in the media research conducted by the Polish Association of Stock Exchange Issuers, Bankier.pl received highest marks in the category "on-line portal covering economics;

- NaviExpert "the finalist of "Red Herring Europe 100" in 2009; the Company introduced the new 5.0 version of its mobile navigation software (with a unique search for POI feature) and continues cooperation with its Russian;
- S4E "first place in the ranking of Puls Biznesu for companies with the lowest PG ratio, traded on NewConnect; Gazelle Of Business 2009; laureate of the Forbes Diamonds 2009 ranking;
- Genomed "obtained the certificates of CF Network (Cystic Fibrosis Network) and EMQN (European Molecular Quality Network), which confirm the quality of delivered medical diagnostics services and enable to develop services in molecular diagnostics; reached a positive EBITDA profitability within a year(1.10.2008-30.09.2009); expanded its offer of molecular diagnostics to 40 types of genetic tests covering, among others, infertility, cardiology, neurology, oncology, ophthalmology; received financing from PARP in the amount of 2.2 million PLN for the application of modern technology in Medical Diagnostics; commenced execution of the agreement with the Institute of Mother and Child for the performance cystic fibrosis screening tests in infants "the Genomed clinic performs genetic testing as part of the National Infant Screening Research Program in Poland; a new headquarters of the company: due to its dynamic growth the company changed its headquarters to a newly built modern building designed to house the clinic and laboratories;
- 4med "buyouts of companies operating clinics in Warsaw in the locations, Jerozolimskie Avenue, Dobra Street and those operated by the Post Office and the Ministry of Finance; signed contract to operate the clinic and around-the-clock emergency rescue service in the LG zone in Kobierzyce near Wroclaw "medical services covering 7500 employees from seven companies in the LG zone with the perspective of expanding to the remaining area of Kobierzyce region, annual value of the contract is 2,952,000 PLN.