

MCI Management SA to create a real estate fund MCI.ImmoVentures FIZ with initial assets over 42 million PLN

03.11.2010

On October 31, 2010, an agreement was signed between MCI Management SA and Immoventures Sp. z o.o. binding them to create a fund of real estate assets, MCI.ImmoVentures FIZ. The new fund will take over 42 million PLN in net assets from Immoventures Sp. z o.o.

“The launch of this endeavor is an element of MCI’s strategy for the year 2010 and the coming years. We see a large potential for development in this area for the Group and an opportunity for significant growth of the value of assets under management in this segment of our operations, parallel to the already developed segment of technology venture capital, expansion and buyouts and lifescience/health care” said, Tomasz Czechowicz, President of MCI Management SA.

The MCI.ImmoVentures fund will operate in the FIZ structure (closed-end investment fund), within MCI Capital TFI SA. The launch of MCI.ImmoVentures FIZ and the transfer of real estate assets from MCI Management SA are planned by the end of the year 2010. Initially, MCI Management SA will be the 100% investor in the fund. Roman Cisek, the current CFO/Board Member of MCI Management SA and MCI Capital TFI SA, will become the managing partner of the fund. An Investment Committee of five people will be summoned to supervise the fund’s investments, with seasoned professionals from the real estate and financial markets as its members.

The Polish market of managing real estate investments today has no definite leaders. By entering into this type of assets, MCI Management SA wants to take advantage of the favorable moment for investments on the market to create a leading entity managing real estate investments in Poland. The fund managers foresee a professionalization of the Polish real estate market in the future, when managing assets will be separated from construction development activities.

The investment strategy of MCI Immoventures FIZ assumes investing in projects within these four areas:

- so-called special situations • acquisition of foreclosed assets (NPA) from banks, operational companies and entities undergoing liquidation (companies, land, development projects, buildings),
- package transactions with developers • large transactions that enable acquisition of attractively discounted real estate at development level or ready to sell,
- investments in the hotel and recreation sector • acquisition of land and projects for construction development of recreational facilities and hotels in cooperation with potential partners,
- financing of mezzanine real estate projects.

According to the concluded agreement, MCI will be obligated to pay Immoventures Sp. z o.o. the price of acquisition of the real estate assets in the form of offering Immoventures Sp. z o.o. to take up shares of MCI from the new emission at the price of 7.53 PLN per share; the price of MCI shares was established based on the average closing share price of MCI Management SA on the regulated market of the Warsaw Stock Exchange in the period of one month directly preceding the date of concluding the agreement.

Immoventures Sp. z o.o. is obligated to MCI, that after MCI acquires the above-mentioned assets, it shall not acquire any more real estate in Poland or abroad without the consent of MCI, under the pain of contractual penalties. Additionally, Immoventures Sp. z o.o. has obliged to MCI (in the case when during 24 months from the date of acquisition of real estate assets by MCI Management SA the fund should suffer a loss on the sale of these assets) to cover all losses of MCI Immoventures FIZ or to repurchase from MCI Immoventures FIZ (or any entity identified by the fund) the given the real estate property at a price which constitutes the full cost of its acquisition from Immoventures Sp. z o.o. Furthermore, Immoventures Sp. z o.o. has also obligated to MCI that within the period of 12 months after acquisition of said assets by MCI, it will

change the name of the company, cease to use the name Immoventures or any name that may sound similar, and to transfer complementarily to MCI, MCI Immoventures FIZ, or any other entity indicated by them, all rights to the web domain www.Immoventures.pl, and it has also obliged, in agreement with MCI, to migrate the whole current real estate management team of Immoventures Sp. z o.o. to the entity indicated by MCI or MCI.Immoventures FIZ.

The consent for the acquisition of assets from Immoventures Sp. z o.o. and the consent to execute the issue of new shares of MCI as part of target capital, as well as ultimately organizing and creating a new real estate fund were expressed by the Supervisory Board of MCI through the resolutions taken on 27 August 2010 and 22nd of October 2010.