

MCI sells bonds for 36 million PLN

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The MCI Group is successfully gathering capital for further investments. It has just completed the private issue of H1 series secure corporate bonds, raising 36 million PLN. For the first time in history, a bank invested in the fund's securities.

MCI, the leading PE/VC group in the CEE region, after very successful year in 2012, continues the process of raising capital to realize its ambitious investment strategy of spending several hundred million zlotys in 2013. On April 9, the company completed the latest issue of regular secured bonds raising 36 million PLN. The funds will be allotted to financing new investments of the MCI.TechVentures and MCI.EuroVentures funds in new technology companies (e-commerce, mobile, social internet and cloud computing).

It is MCI's largest single issue of regular bonds since 2007. We feel satisfied that despite hostile conditions of the economic slowdown and with trust in corporate bonds undermined by troubled real estate companies, we have successfully convinced serious financial institutions to invest in our instrument. It was possible because our offer was profiled to meet the needs of these investors – commented Wojciech Marcińczyk, since April 8 a new member of the board of MCI Management, responsible for fundraising and managing the MCI.CreditVentures fund within the MCI Group.

The bonds were purchased by about 10 financial investors, most of which were Polish TFI funds. For the first time in the history of MCI corporate bonds, a commercial bank also became an investor scooping up nearly 20% of the issue. The institutions praised MCI's track record, its stable financial situation and good perspectives for growth. Praise was also given to the parameters of issuing the securities – the issue of H1 series regular bonds stands out thanks to the pioneer approach in constructing the collateral. MCI lowered the risk for its investors by guaranteeing bondholders collateral of 300% of the principal in the form of a lien on the certificates of investment funds managed by the MCI Group. In addition, investors will benefit from attractive interest on the bonds calculated at variable rate WIBOR 6M plus a margin of 4.50%. H1 series bonds were issued for a period of three years. Interest will be paid semi-annually.

Historically, bonds played a very important role in building the value of our Group. Issuing bonds provided financing for both the investment in ABC data in 2008, on which we expect returns close to 20% (IRR), as well as raised capital for the acquisition of shares in Mall.cz, which sold generating IRR close to 175%. We plan to develop this fundraising channel further – added Marcińczyk.

Declining interest rates and numerous advantages of this means of financing new investments make the product highly attractive for investors. That is why MCI plans further bond issues in the years 2013 – 2015, in order to continue the process of building liquidity necessary to accomplish investment plans for the coming years. Currently, after recognizing the issue of H1 series bonds, the MCI Group has more than 250 million PLN for new investments.

Bonds issue Agent – Raiffeisen Bank Polska S.A.

Bonds issue Dealer – Copernicus Securities S.A.