

MCI successfully exits another investment

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On 6th of August this year, RUCH S.A., one of the largest press distributors in Poland, purchased a majority share package in NetPress Digital Sp. z o.o., the leader on the Polish e-book, audiobook and electronic press distribution market. Within this transaction, the MCI.TechVentures fund, belonging to the MCI Management S.A. Group, sold all shares held in NetPress.

NetPress is one of the forerunners and the leader of the Polish e-book, audiobook and electronic press distribution market. The company owns Nexto.pl, the largest Polish platform providing digital books and press, whose offer encompasses about 20,000 titles.

Founded in 1918, RUCH S.A. is presently one of the largest distributors of press in Poland, with about 35% market share. The Company supplies press to more than 22 000 outlets; there are 6 000 retail outlets operating under the RUCH logo. Every day, it handles almost 8 million retail customers. By purchasing shares in NetPress, RUCH will expand its activity to include distribution of e-press, e-books and audiobooks.

Sylwester Janik, Member of the Management Board of MCI Management S.A. and Manager of the MCI.TechVentures fund, whose portfolio included NetPress, said: "NetPress is an example of a company that successfully built its position in the prospective segment of distribution of audiobooks, electronic books and electronic press. During our involvement, the company significantly developed its online distribution platform, introduced mobile sales channel and began distribution of e-book readers, cooperating successfully with leaders of the online and mobile market in Poland. We are certain that the Management Board of the company will take advantage of the further development potential within RUCH S.A. thanks to the complementarity between the offer of NetPress and the customer base of RUCH S.A."

Paweł Szymański, President of the Management Board of RUCH S.A. has commented on the transaction: "Acquiring the shares in NetPress is a milestone in our strategy of

entering the e-commerce market. The purchase of the company that has the largest amount of press titles is a continuation of the strategy of entering the e-press market that we have already adopted and announced. RUCH has the widest offer among the traditional press distributors, which now that we have gained access to the platform offering purchase of electronic publications in text and audio formats, will be also available online.â€œ

Bartłomiej Roszkowski, President of the Management Board of NetPress said: â€œFor NetPress, the strategic relationship with RUCH S.A. is a chance for further development and taking advantage of experience and distribution network of the industry investor. RUCH, on the other hand, will benefit from taking over a company having a well-founded position on the e-publications market, enabling it to broaden its offer significantly.â€œ

The e-publications market is not big in Poland as of now (the annual revenues from sale of e-books are estimated to amount to 6-9 million PLN). However, high growth dynamics are noted – several dozen percent a year. According to the estimates of PricewaterhouseCoopers, in the year 2014 the value of the Polish e-book market may reach 12 million USD.