

# Results for Q4 2008

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MCI Management S.A. after four quarters generated the consolidated net profit of PLN 22.1 million and the value of consolidated assets of MCI grew to PLN 303.4 mil. During the last 10 years the average net internal rate of return on the whole portfolio managed by MCI was 17.2%.

After the four quarters of 2008, MCI recorded a substantial increase in the value of consolidated assets and net assets compared to the year 2007. The book value of the consolidated assets of MCI as on 31 December 2008 amounted to PLN 303.4 million and was 28.3% higher than at the end of 2007 (PLN 236.5 mil.). Similarly, the net value of MCI assets after the four quarters of 2008 amounted to PLN 207.4 mil., with growth of 35.4% compared with the same period last year (PLN 153.2 mil.).

The total average net rate of return on investment generated by MCI in the period from the beginning of the group's operations to the end of the year 2008 (ten years), calculated as the sum of full and partial exits, amounted to 17.7% per year, and for the whole portfolio (also including book valuation of the portfolio as on 31 December 2008, less management costs) it was 17.2% per year. These indicators place MCI among the top private equity funds in Europe.

The results generated by MCI were influenced by, among others, the exit transactions executed in 2008 for the total PLN 29.9 mil. Full exits from the investments in Technopolis, Finepharm and ITG were successfully finalized and the managerial buyout of convertible bonds of ABC Data Holding SA was performed. The amounts raised from those transactions were almost identical to the revenues from sale of assets in the year 2007, when the situation on the financial markets was definitely more favorable. Against the whole PE/VC market in Poland the generated result is a positive distinction for MCI Management.

Using the capital raised from exits as well as the funds from the project realized with the cooperation with The Polish Agency for Enterprise Development (PARP), in the year

2008, MCI executed five new investments in the companies: Genomed (DNA research / medical diagnostics), Invia.cz (leader of the e-travel market in Central Europe), Belysio (mobile social community), 24med (subscription emergency medical service) and Formed (medical clinics in the low-budget segment). Moreover, the subsequent investment rounds to the portfolio companies were performed – the purchase of convertible bonds of ABC Data and the increase of capital engagement in Nexcom, Grupa Lew, NaviExpert, NetPress and Web2. Capital-wise, in the whole year 2008, the sum of executed investments (new and subsequent financing rounds) amounted to PLN 64.4 million.

New partners with broad professional experience have joined MCI; Beata Stelmach, Sylwester Janik and Małgorzata Walczak, additionally enhancing the remaining partners: Tomasz Czechowicz, Konrad Sitnik, Roman Cisek, Andrzej Lis, Grzegorz Gromada and Bogdan Wiłniewski. Adjusting to the market situation, the company limited direct employment to 18 persons.

Activities aiming to improve the effectiveness in portfolio companies are producing effects; many of them report outstanding financial results against the market and competitors. The examples are, among others, the ABC Data Sp. z o.o. Group, which for the year 2008 recorded preliminary results of PLN 2.7 bn. in revenues with PLN 40 mil. consolidated EBITDA profits; or Invia.cz that generated record sales revenues (so-called TTV) equaling EUR 59.74 mil., with EBITDA amounting EUR 1.07 mil. (also preliminary results for 2008); Geewa, in turn, gained almost 2 million users and launched another version of the portal Geewa 3.0.

High quality and innovation of the MCI portfolio is reflected in numerous awards and distinctions won by the MCI portfolio companies:

- ABC Data – EMEA Channel Academy award granted on 12 February 2009, in recognition of excellence in distribution; in the region of Central Eastern Europe, ABC Data beat Action, Asbis, Elko and Tech Data;

- Bankier.pl – on 17 February 2009 the company was ranked second best Stock Exchange Company of the Year 2008 in the tenth jubilee edition of Puls Biznesu ranking, realized by Pentor Research International;

- Belysio – award announced on 10 December 2008, first place in the Ranking of Most Innovative Companies – Tuning-fork of Innovation 2008, in the category – micro-companies; – the partners of the competition were BRE Bank S.A., Lewiatan, D&B, Rzeczpospolita and Manager Magazin;

- NaviExpert – Broadband award, granted on 19 November 2008, during the V

Broadband Services Forum for the most interesting broadband service; the competition was organized on the initiative of the weekly, Computerworld;  
• Invia.cz • the company made the top hundred fastest developing technology companies in the year 2008, Deloitte Technology Fast 500 EMEA Ranking;  
• Geewa • 17 April 2008, the company was featured on the Red Herring 100; the list compiled by a prestigious magazine indicates innovative technology companies and entrepreneurs operating in this area all over the world.

In the year 2009, we will continue the process of exiting investments, especially those most mature. We think recession is an excellent opportunity for strategic investors to rebuild and strengthen their portfolios and MCI has a number of attractive and innovative companies that thanks to their low valuations prevailing on the market at the moment could be acquired on much more favorable conditions than during a bull market • President Czechowicz added • We will also execute a selection of new investments focused on early stage companies. While the investments in the buyout and expansion capital area • if such take place • will be correlated with raising outside capital.

Already in the fourth quarter last year work began on developing distribution of MCI investment certificates to individual clients. This project assumes reaching private investors interested in investing directly in the portfolios managed by MCI.

In January 2009, a new fund managed by MCI • Helix Ventures Partners FIZ was launched. The strategy of the fund assumes investments in projects on the early stage of development in the area of Internet, software, mobile technologies and electronics. Investor engagement amounts to PLN 40 mil. It is the first investment fund in Poland to have a permit from the PFSA (KNF) that will be running projects in cooperation with the National Capital Fund. It is also the first fund in the history of the MCI Group with this structure of invested capital. A significant Private Investor also joined the group of investors (with PLN 8 mil. capital engagement). The launch of this fund is an element of MCI's strategy relying upon performing investment projects in cooperation with external partners.

Due to the present market situation, the work on the second public offering of MCI shares is postponed until the stock market situation improves.