

# Results of the Capital Group after the first half of the year 2014

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In the first half of the year 2014, MCI Group generated a consolidated net profit of PLN 214.1 million. The value of net assets amounted to PLN 979.7 million, i.e. PLN 15.70 per share. In the first half of the year, the Company already executed 95% of the annual forecast, which envisaged an increase in the NAV per share to PLN 16.50. In the first half of the year, two parts of the pre-IPO of Private Equity Managers were successfully completed – the company is still planning to go public in Q4 2014.

- A consolidated net profit of PLN 214.1 million in the first half of the year vs. PLN 189 million in all of 2013,
- NAV per share of PLN 15.70 as of the end of the first half of the year – the forecast announced in December 2013 assumed an increase in net asset value per share from PLN 12.20 to PLN 16.50 at the end of 2014,
- Closing new investments in the first half of the year – Netia, Grupa Wirtualna Polska, Feedo, Hojo.pl, mGenerator and Focus Telecom,
- Completion of two stages of the pre-IPO of Private Equity Managers S.A (PEManagers) and advanced work on the company's initial public offering planned for the fourth quarter of 2014.

*“During the first six months of the year, we generated PLN 123 million more in terms of net profit than in the corresponding period in 2013. The high growth dynamics also applies to NAV per share, which rose from PLN 12.20 to 15.70 in the first half of the year. Considering that 95% of annual plan has already been executed in this respect, we see a good chance to exceed the assumptions for the year,”* said Cezary Smorszczewski, President of the Board of MCI Management SA.

## **Key milestones in the second quarter and the first half of 2014**

- Completion of two parts of the pre-IPO of Private Equity Managers S.A, a holding company of a capital group specialising in Private Equity management. Almost 65% of the company's shares were sold during the two parts of the pre-IPO. They were acquired by, without limitation, persons related to MCI capital group, by financial institutions which are MCI's shareholders, as well as individuals (management, partners and individuals cooperating with MCI).
- In light of its plans to go public, PEManagers filed its prospectus with the Financial Supervision Authority on 27 June. The company's shareholders are still planning to hold the IPO in the fourth quarter of 2014.
- Jarosław Dubiński, Franciszek Hutten-Czapski and Przemysław Schmidt joined the Supervisory Board of PEManagers in July.
- The MCI.EuroVentures sub-fund completed two buy-out investments: in Grupa Wirtualna Polska (acquiring 20% of the company's shares) and Netia SA (acquiring shares constituting 7.15% of the company's working capital).
- The MCI.TechVentures sub-fund increased its share in Frisco S.A. and took part in consecutive rounds of financing of Travelata (value of the round: USD 7 million), Geewa (value of the round: USD 4.2 million), Windeln.de (value of the round: EUR 15 million).
- The Internet Ventures fund completed four investments in: Feedo (an internet platform for selling baby care products), mGenerator (a website and app creator), Hojo.pl (an online marketplace for professional cleaning services) and Focus Telecom Polska (an innovative technology company providing business communication services based on the cloud computing model).

## **MCI and PEManagers financial results**

The value of assets under management at the end of the first half of 2014 amounted to PLN 1.5 billion, i.e. 57.6% more than in the same period in 2013. Net assets equalled

PLN 979.7 million, as compared to PLN 844 million at the end of the first half of 2013 (an increase by 16.1%). Net assets per share rose to PLN 15.70 as opposed to PLN 14.00 at the end of the first quarter of 2014 and PLN 12.20 at the end of 2013. The consolidated net result was PLN 214.1 million, as compared to PLN 91.2 million in the same period in the preceding year (a 134.8% increase). The fund's financial results were due to an increased valuation of Invia, Frisco, Windeln, ABC Data, Netia and Private Equity Managers. The profit on asset management generated by Private Equity Managers Group until 30 June 2014 amounted to PLN 22.4 million.

### **Investments/exits/fundraising**

In the first half of the year, MCI Group executed ca. 50% of the investment plan for the year, which envisaged at least PLN 305 million for new investments until the closing of the business year. The individual investment potential of MCI after fundraising and after completing the planned investment exits in the second half of the year may amount to PLN 400 million.

In the first half of 2014, MCI Group acquired PLN 39 million in terms of investment revenue. This amount included dividend payments from ABC Data, Netia and Indeks. MCI's Management Board assumes that in all of 2014, funds acquired from exits will amount to between PLN 100 and 200 million, depending on the success of five exit projects which are currently underway.

*“Our ambitious plans envisage an increased scale of investment and involvement in projects with a value exceeding the initially assumed PLN 305 million. I am delighted that our strategy is increasingly better received by investors, especially institutional ones, which is attested to by the fact that BZ WBK Asset Management now holds more than 5% of MCI's shares,”* said Cezary Smorszczewski, President of the Management Board of MCI Management SA.