

Results of the Capital Group after the first quarter of 2014

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In the first quarter of 2014, MCI Management generated a consolidated net profit of PLN 108.5 million. The value of net assets amounted to PLN 873 million, i.e. PLN 14 per share. Already after the first quarter of the year, the Company exceeded the forecast for 2014, attaining almost half of the assumed annual growth. The first quarter of 2014 also saw the successful completion of a PEM pre-IPO transaction, with Enterprise Value amounting to PLN 270 million. The investment team continues its work on acquiring new investment projects for MCI's portfolio. The forecast for 2014 envisages spending at least PLN 305 million on investments in new portfolio companies.

- The forecast for 2014 announced in January assumed the growth of assets per share from PLN 12.2 at the end of 2013 to PLN 16.5 in 2014. Half of that level was already attained after the first quarter.
- Closing new investments in the first quarter – Grupa Wirtualna Polska, Feedo, Hojo.pl, mGenerator and Focus Telecom
- Advanced work on turning Private Equity Managers SA into a public company

“After a very good year for MCI Management last year, the time has come to get even better results in 2014. Without a doubt, the first quarter was an absolute success, which was confirmed by the Group's results. Our future plans are ambitious, we would like to keep gradually expanding our portfolio. We also continue working on the launch of Private Equity Managers SA on the Warsaw Stock Exchange before the end of 2014,” said **Cezary Smorszczewski, President of the Board of MCI Management SA.**

Key events in the first quarter of 2014

- Private Equity Managers S.A. (PEM), an MCI Group portfolio company specialising in managing private equity assets, as announced, closed the sale of the first part of its shares as part of a pre-IPO transaction in 2014 Q1. The transaction was directed to the managers and partners of the Company, as well as its business partners. As part of the first part of the sale, at the end of the first quarter and at the beginning of the second quarter, more than 30 percent of PEM's shares were sold.

- Early 2014 saw the process of streamlining of the structure of the MCI Capital Group. Its first stage involved the merger of MCI.CreditVentures and MCI.BioVentures funds into a single investment vehicle. As part of the structure optimisation exercise, the operations of MCI.CreditVentures were technically phased out, and its assets were transferred to MCI.BioVentures under the new name of MCI.CreditVentures. This simplification of the Group's structure will allow for savings thanks to lower administration costs.

- On 10 February 2014, MCI Management purchased 20% of the shares of Grupa Wirtualna Polska. Through MCI.EuroVentures 1.0 subfund, MCI Management entered into an agreement to purchase 20 per cent of shares in Grupa o2 S.A. with European Media Holding S.a r.l. fund, part of Innova Capital capital group. As a result of the acquisition, a new leader on the Polish internet market emerged – Grupa Wirtualna Polska.

- Invia, a portfolio company of MCI operating in the area of e-tourism, announced a tender offer for the shares of Travelplanet.pl. This will allow the company, inter alia, to accelerate the achievement of operational and cost synergies within the group and to strengthen its position as a leader of the e-tourism sector in the Polish market.

- Internet Ventures.FIZ, one of the funds of MCI Management, invested in the following companies:
 1. Feedo – an internet platform for selling baby care products
 2. mGenerator – website and app creator

3. Hojo.pl – an online marketplace for professional cleaning services
 4. Focus Telecom Polska – an innovative technology company providing business communication services based on the cloud computing model.
- New investment rounds in Frisco and Indeks.

Financial results

In the first quarter of 2014, the value of the company's assets under management amounted to PLN 1.3 billion, as compared to PLN 838 million in the first quarter of 2013. Net assets amounted to PLN 873 million, compared to PLN 582.1 million at the end of the first quarter of 2013. Net assets per one share increased to PLN 14.

The fund's financial results were determined by operations related to the spin-off and sale of the shares of Private Equity Managers SA (PEM). As a result of the pre-IPO transaction, in late March and early April 2014 a significant package of PEM shares was sold as part of the first tranche to the current MCI investors and management, accounting for 30% of all PEM's shares. Before initiating the pre-IPO, PEM paid a dividend for 2013 with a value of PLN 72.5 million to MCI Group. Currently, MCI is concluding its work on the PEM SA prospectus, which will be filed with the Financial Supervision Authority in Q2 2014.

Plans for the next quarters of 2014

In the next quarter of 2014, the management of MCI and PEM will mainly focus on acquiring new investment projects and preparing Private Equity Managers SA for its initial public offering at the Warsaw Stock Exchange. Assumptions as regards new investments with a value of at least PLN 305 million and net asset value per share at the level of PLN 16.50 will be maintained. The company will also seek to exit investments with value of PLN 100 million in 2014.

MCI is also working to improve communication with investors and the market and will be looking to decrease the discount between the value of net assets per share and the valuation of the shares at the Warsaw Stock Exchange.