
ABC Data transaction

Patryk Szafrński

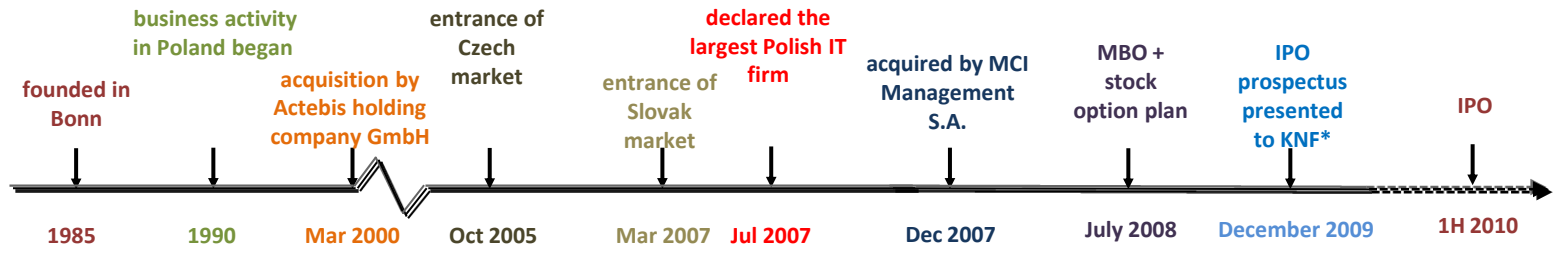
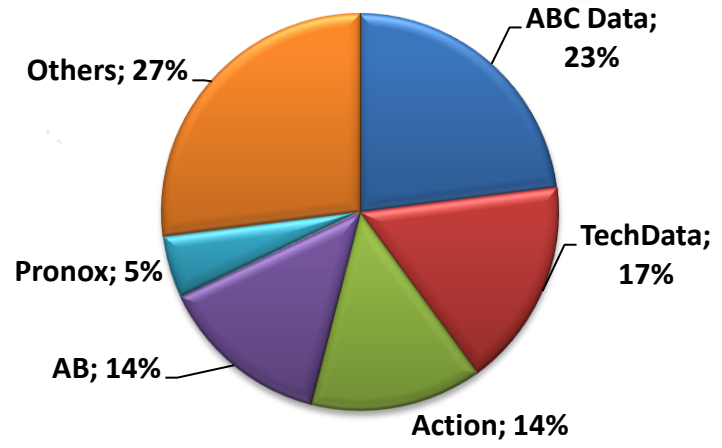
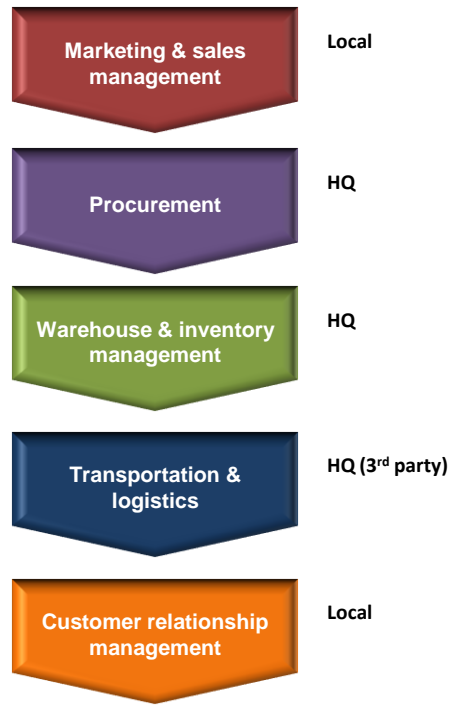
Akademia Private Equity

1 ABC Data operations



ABC Data – the largest IT distributor in Poland

ABC Data is acting as gross seller on the ICT market. Its clients are mostly distributors, assemblers, companies providing IT solutions for private and public sector. Internet and phone are the main distribution channels. Product delivered from the Company's warehouse to the client. Since its foundation in 1985, ABC Data has been profitable in Poland every year.

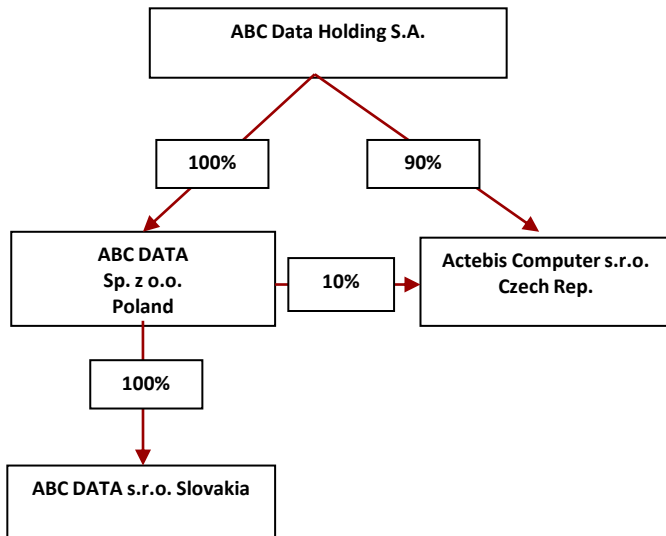


Source: ABC Data estimates

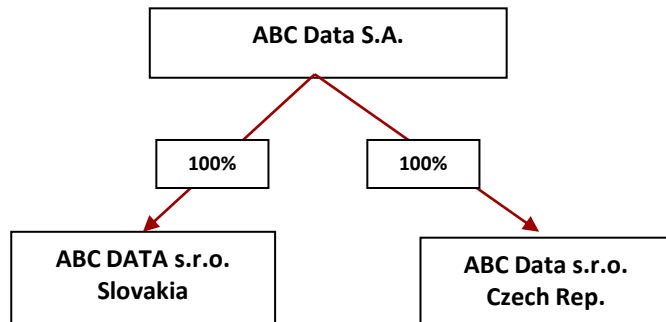
*) Polish Financial Supervision Authority

2 ABC DATA ORGANIZATION

Previous organizational structure of ABC Data Group



Current organizational structure of ABC Data Group



Marek Sadowski, CEO/CFO

- Mr. Sadowski has been running ABC Data Sp. z o.o. since 2001
- He is responsible for finance and overall management
- He joined ABC Data in 1992, establishing Finance Department
- In 2001 he was promoted to a Managing Director and a Member of the Board, also fulfilling Finance Director duties

Andrzej Sobol, Sales & Strategy

- Mr. Sobol started his professional career in ABC Data in 1990.
- He became Sales and Marketing Director in 1997
- In 2002 A.S. was promoted to a Managing Director and in 2003 a Member of the Executive Board

Michał Rumiński, M&A

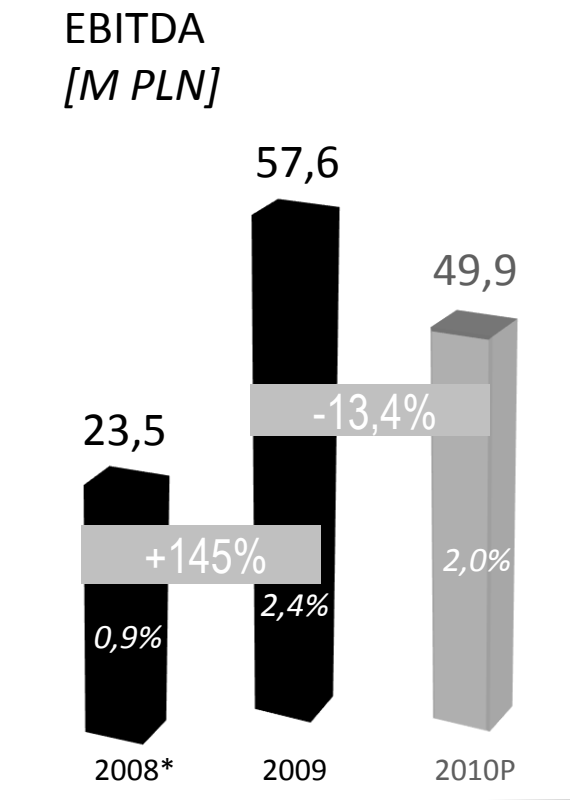
- 2 years on the Company Board
- Responsible for the ECM and M&A transactions
- SGH (Warsaw School of Economics) and law graduate, MBA

Konrad Sitnik, operational improvement

- 1 year on the Company Board, earlier member of the Company Supervisory Board, and the Chairman of the Company Supervisory Board in 2008
- Responsible for operational improvement projects
- Law graduate, MBA

ABC Data senior executives have broad experience in the areas of their responsibilities within the Company.

Co-investment opportunity and attractive option package positively influence key employees' motivation.



2009:

- Sales profitability increase
- Shipment optimization
- Freight cost crosscharge to customers increase
- Efficient product portfolio management

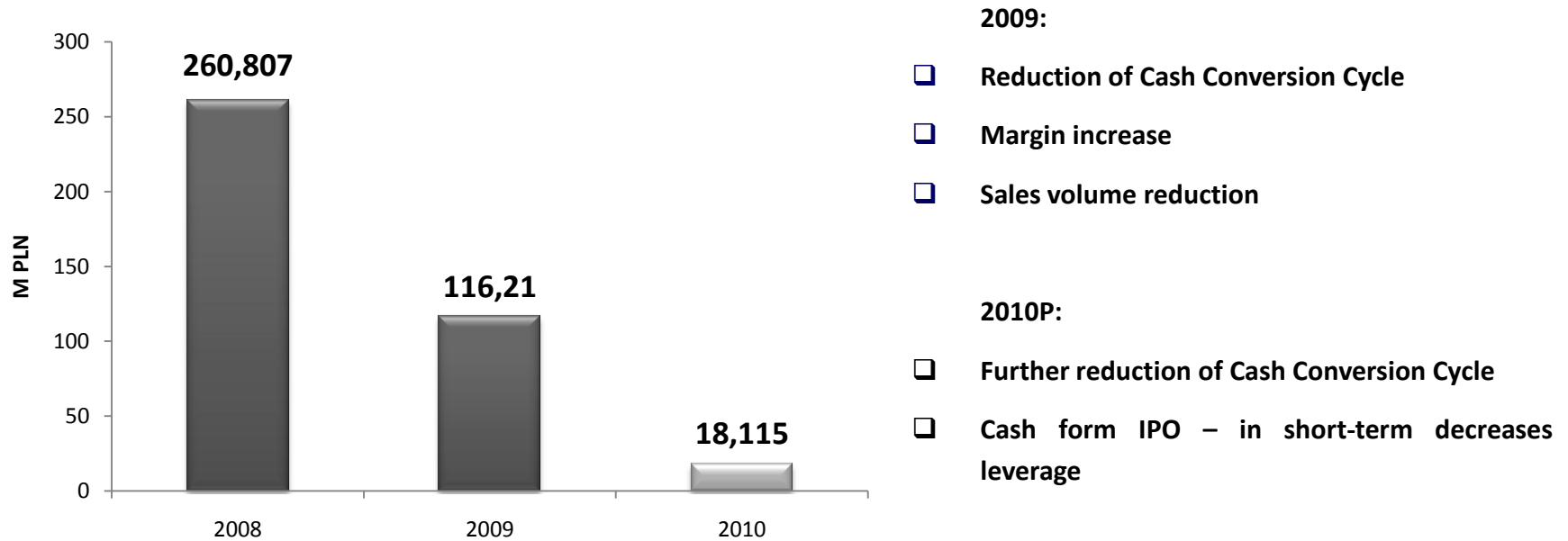
2010P:

- Sustainment of sales profitability
- Personnel cost reduction
- Further reduction of Cash Conversion Cycle
- Further product portfolio optimization

Source: Company

* Presented consolidated data for 2008 cover the first financial year starting on Jul. 27, 2007 ending on Dec. 31, 2008 r. Acquisition of the operational companies of the Group took place on Dec. 28, 2007. Therefore, presented consolidated data in fact cove 2008 year.

**Result adjusted by the unrealized forex differences

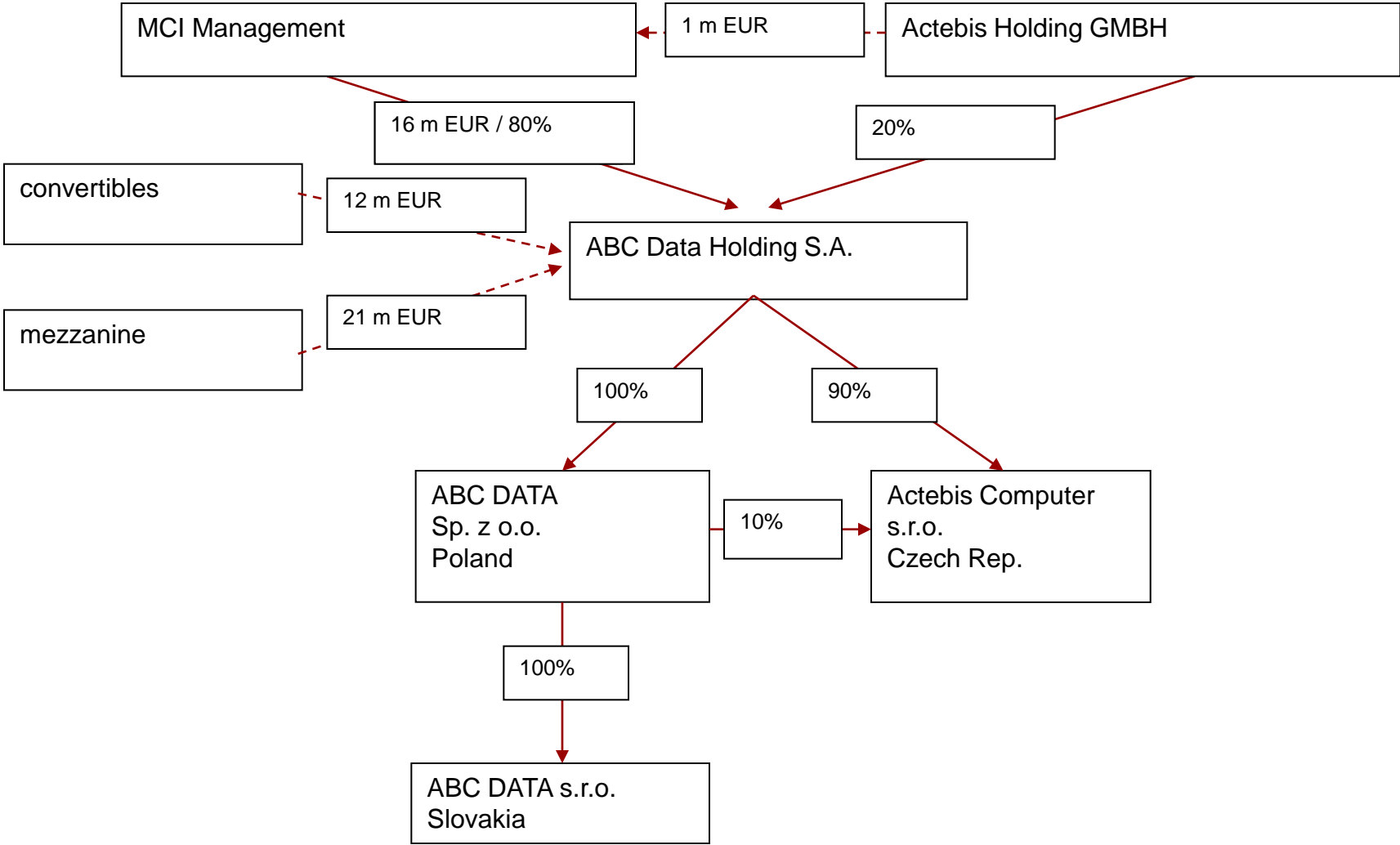


* Data for year 2010 is a forecast of the Company

Investment rationale

- Fast growing market – potential of growth (ca. 15% p.a.)
- Leader on the IT distribution market in Poland, and strong position in Czech Republic and Slovakia
- Strong management team (partial MBO)
- Stable and predictable business with strong, positive operational cash flow
- Regional consolidation opportunities
- High potential of operational improvement
- Multiple exit opportunities (TS/IPO/MBO)

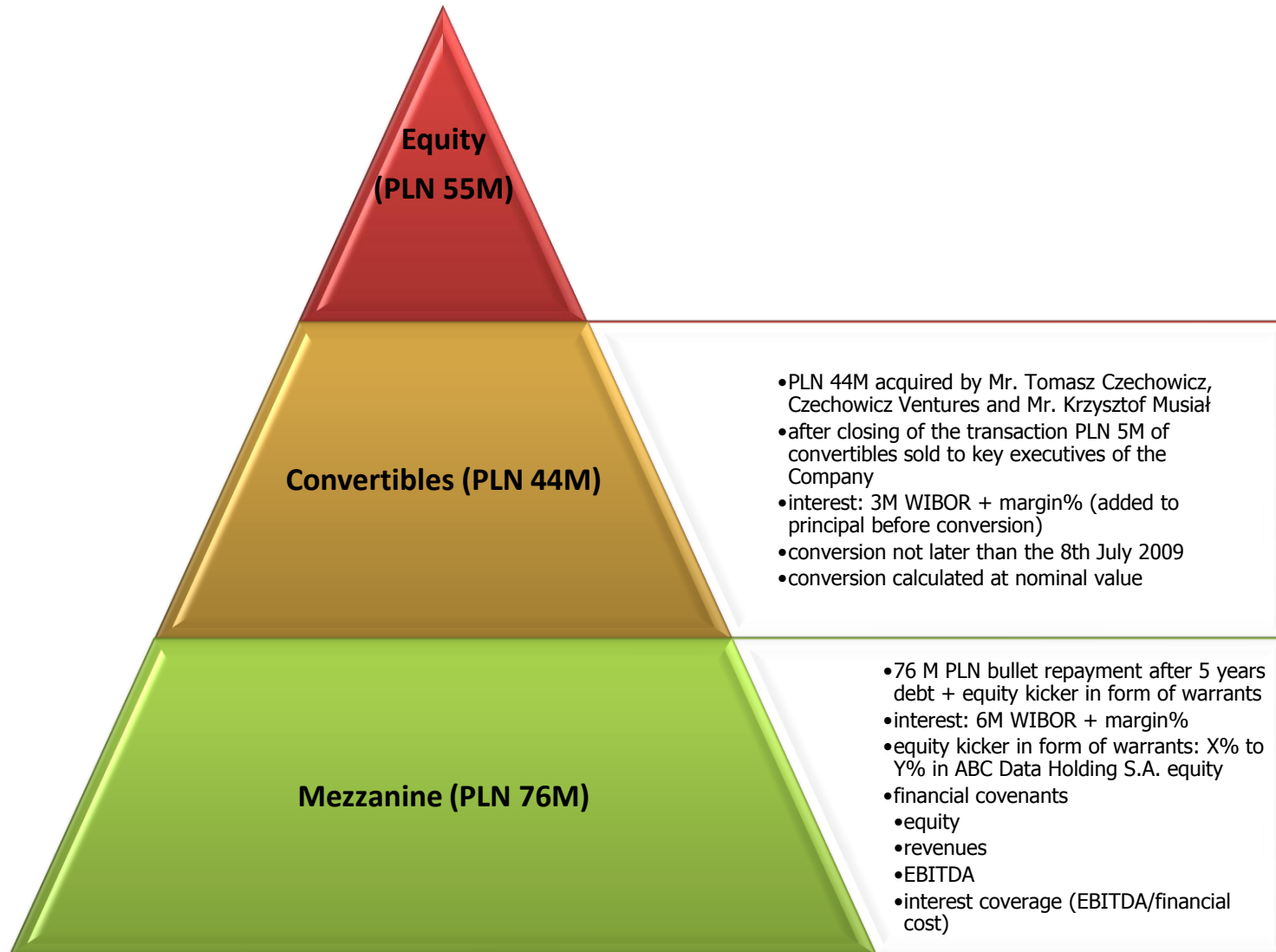
TRANSACTION STRUCTURE



Transaction structure

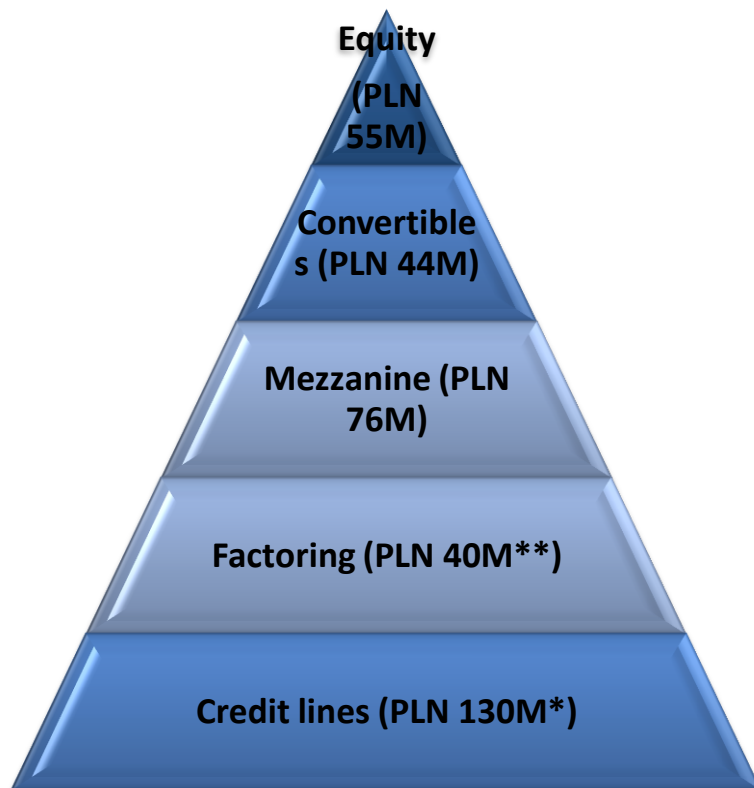
- 70% of purchase financed with acquisition debt that consists of both convertibles and mezzanine debt
- 20% share in ABC Data retained by the seller as up-side potential with drag right for MCI
- Price based on earn-out scheme
- PLN 5M of cash investement of key employees

LEVERAGED BUY-OUT – FINANCING STRUCTURE

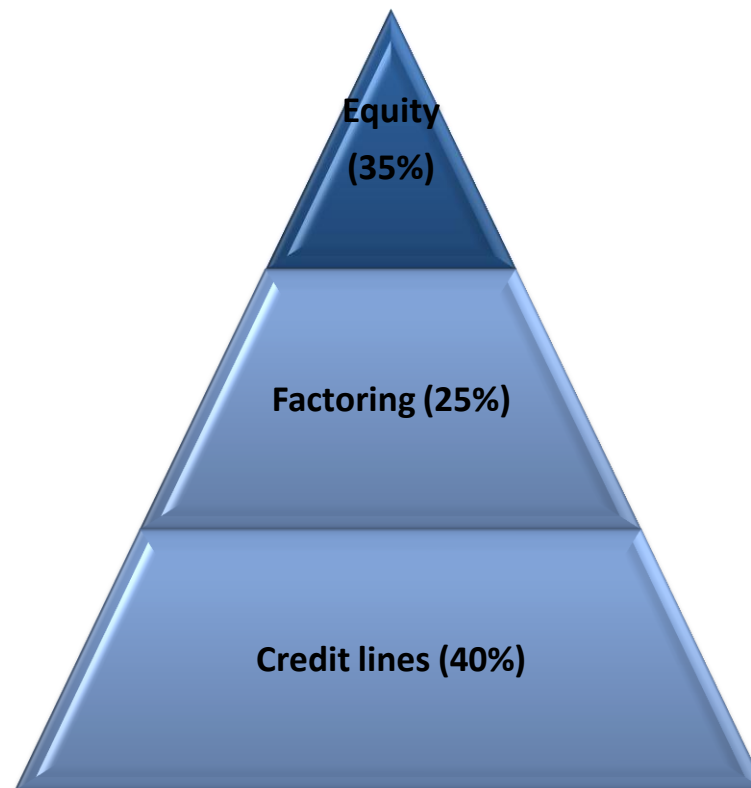


DEBT REPAYMENT – TARGET CAPITAL STRUCTURE

Current structure of financing of consolidated ABC
Data operations



Targeted (as of the end of 2012) structure of
financing of consolidated ABC Data operations



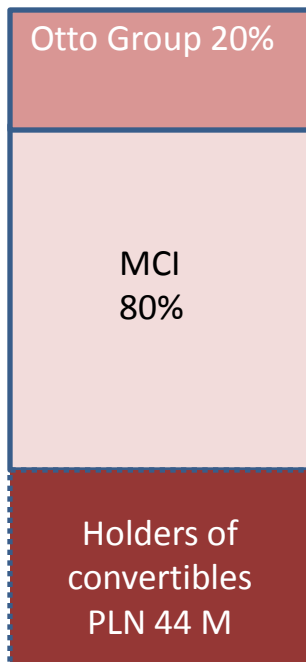
Key assumptions:

- Mezzanine full repayment
- Convertibles conversion at nominal value in July 2009
- Inclusion of Mid-market clients in full factoring (currently negotiated)

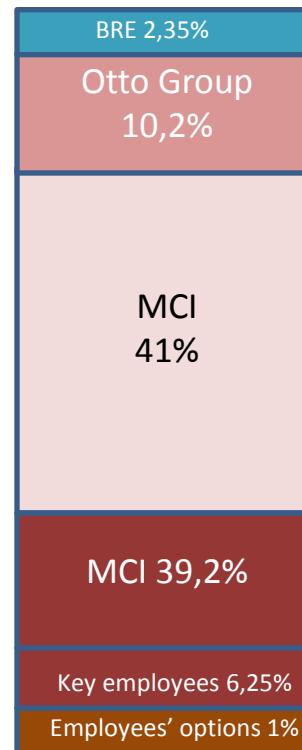
**) average level called down*

****) full factoring with no recours, average level called down*

Previous structure



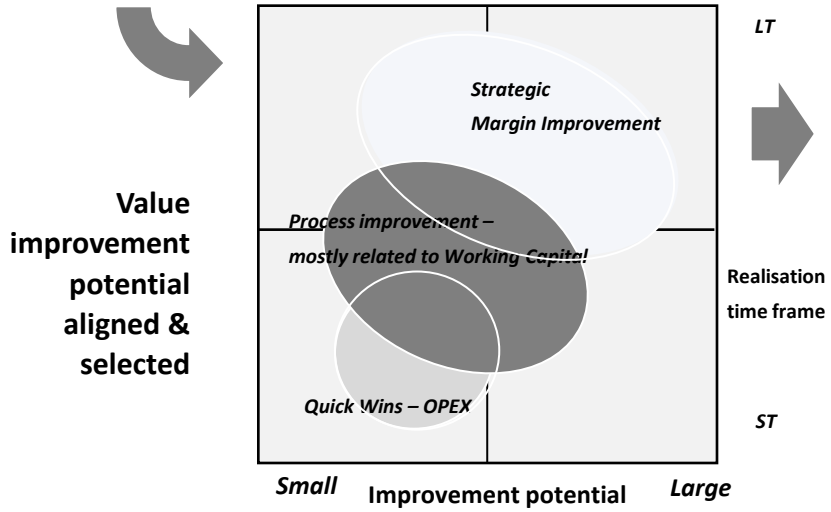
Structure after conversion & warrants execution



Operational improvement

- CCC improvement (-5 days)
- Margin increase (+0,5 pp)
- OPEX reduction (- PLN 10M)
- Strategic:
 - e-commerce set up & development
 - geographical expansion

| Improvement Area | Estimated impact on EV [M PLN] |
|-----------------------|--------------------------------|
| Cash Conversion | 40 |
| Margin Improvement | 100 |
| OPEX reduction | 70 |
| Strategic Initiatives | 16 |



Actions for key value initiatives defined

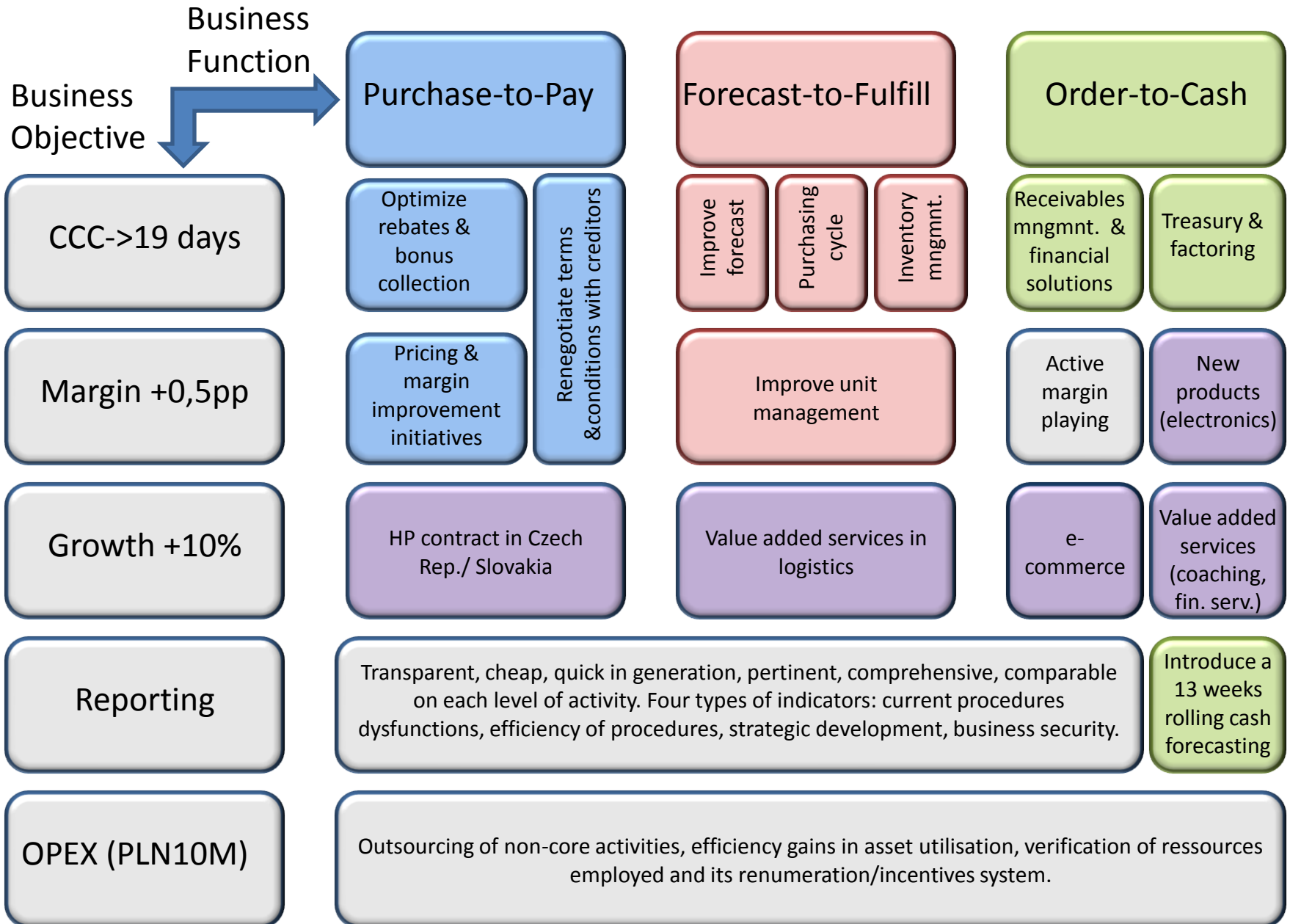
| | 1st tranche of projects | 2nd tranche of projects | 3rd tranche of projects |
|-----------------|--|--|---|
| Cash Conversion | <ul style="list-style-type: none"> Renegotiate DPO Factoring | <ul style="list-style-type: none"> Improve Forecast-to-Fulfill CF planning | <ul style="list-style-type: none"> VRM set up |
| Margin Increase | <ul style="list-style-type: none"> Clients' segmentation | <ul style="list-style-type: none"> Price matrix Unit Reduction | <ul style="list-style-type: none"> CRM modifications |
| OPEX cut off | <ul style="list-style-type: none"> External services cost reduction | <ul style="list-style-type: none"> Electronic invoice Cost centers | <ul style="list-style-type: none"> Level of employment adjustments |
| Strategic | | <ul style="list-style-type: none"> Financial Solutions E-commerce | <ul style="list-style-type: none"> Value Chain Solutions Consumer electronics Geographical expansion |

time |-----|-----|-----|

Month 0-3 Month 3-16 Month 6-24

Due to the strong corporate governance as well as extensive co-investment and stock option plan for key employees (ca. 5%), shareholders have effectively solved principal-agent problem.

13 OPERATIONAL IMPROVEMENT – PROJECTS' MATRIX



Exit scenarios

- Partial exit via public market with 6-7xEBITDA
- Trade off to other PE/strategic investor on earn out basis
- MBO
- Equity curve out of e-commerce activity to be considered

Thank You