




MCI Management SA

2010

**mci**  
MANAGEMENT S.A.



*The mission of MCI Management SA is to deliver to its Shareholders, Bondholders and other Investors in the funds managed by MCI high and stable rates of return through building value of the companies and supporting the best teams of entrepreneurs and managers in achieving their business objectives, taking advantage of the capital of the MCI brand, the competence of its professional team and the leading global practices.*

MCI Management SA

# Letter of the President of the Board



Ladies and gentleman,

In 2009, the MCI Capital Group again generated a significant consolidated net result and despite the economic turmoil still upholds high rates of return on its investments, and this means that throughout the last 11 years the average annual internal rate of return (IRR) on the whole portfolio managed by MCI and amounted to 19.56%.

The generated consolidated net result for the year 2009 amounted to 44.4 million PLN and was 106% higher than the consolidated net profit in the year 2008 (21.5 million PLN). The value of consolidated assets at the end of 2009 increased to the level of 333.7 million PLN. Results these

good effected from the successful accomplishment of MCI Group's top priorities in 2008, contributing to the dynamic growth of the value of assets held by MCI (caused by the improving situation and results of portfolio companies within in the investment funds managed and owned by the MCI group). The second significant element having influence on the financial result was recording significant revenues from the management of funds, which in turn resulted in generating consolidated net profit on sales in the amount of 7.1 million PLN.

In 2009, MCI also generated a significant increase in the value of consolidated assets compared to the year 2008. The net asset value (NAV) of MCI after four quarters of 2009 increased to 266.0 million PLN, giving an increase of 29.0% compared to the equivalent period of previous year (206.2 million PLN). The value of assets under management (AUM) at the end of 2009 amounted to 418.4 million PLN (including full investment commitment of managed funds and the fulfillment of investment liabilities from 2009).

The economic downturn never favors disinvestments. In spite of that, in 2009, MCI executed exit transactions worth 26.2 million PLN; it was the result of, among others, the full exit from one of MCI's oldest investments: Bankier.pl (this transaction generated IRR of 31.63%, with 30.38% on the whole project) and S4E (this transaction was finalized in 2010), as well as the partial exit from the company One-2-One. It is also noteworthy that in spite of the difficult economic situation, the portfolio companies

of the funds managed by MCI managed to generate profits primarily allotted to pay dividends.

The total net return on investments executed by MCI, in the period between the beginning of operations of the group and the end of 2009, calculated as the sum of full and partial exits reached 19.89% a year, while on the whole portfolio (including additionally the book valuation of the portfolio as on 31st December 2009, less the cost of management) it was 19.56% a year. During the year 2009, MCI managed to increase these indicators by over two percentage points compared to the end of 2008, which strengthens and confirms the position of MCI in the group of top private equity funds in Europe.

MCI is trying to develop newer and newer areas of activities. In 2009, two new investment funds managed by MCI started their operations: Helix Ventures Partners FIZ and MCI Gandalf Aktywnej Alokacji SFIO. Another very important event was the commencement of distribution of the investment certificates of the MCI.TechVentures 1.0 subfund to external, individual investors.

The 50 million PLN issuance of three-year bonds convertible to MCI shares was successfully executed. Thanks to this issuance, MCI has gained a group of new significant Financial Investors as its shareholders. The capital raised from the bond issue was allotted largely to redeem the previous issue of standard corporate bonds.

MCI is constantly developing its management team hiring top specialists as its employees. The key investment team

of the MCI Group currently counts nine partners. They are top-class specialists who create a unique combination of knowledge and many years' experience, both in the scope of finance and investing as well as in the sectors which the Group invests in.

Actions constantly applied to improve efficacy in the portfolio companies are starting to reel in results – many of them recorded very good financial results compared to the market and their competitors. The high quality and innovativeness of the MCI portfolio finds its confirmation in the numerous prizes and awards won by the companies, even in a year as difficult as 2009.

- **ABC Data** – 71st place in the “Polityka 500” of 2009 – the list of Poland’s largest companies and the one 100th place in the „Lista 500. Największe firmy Rzeczypospolitej” of 2009; the EMEA Channel Academy prize awarded in 2009 and in 2010 for excellence in distribution; the company resisted the crisis after three quarters of 2009 generating 26.936 K PLN EBITDA and 10.4% Y/Y EBITDA growth;
- **Invia.cz** – the company made the top 100 fastest developing technology companies in 2008, Deloitte Technology Fast 500 EMEA Ranking; acquisition of NetTravel – the company’s largest competitor on the Czech and Slovak markets; 18th place in the ranking „Deloitte Technology Fast 50 Central Europe”;
- **TravelPlanet** – number one in online travel according to the rating of online stores 2009 prepared by Money.pl and Wprost;

- **Geewa** – Since May 2009, three online games offered on Facebook and the „8-Ball Pool game” by Geewa is the most popular pool game on Facebook with daily gains in unique users reaching 2%; It is Geewa’s ambition within the next four years to become the global leader in casual online multiplayer games, by increasing the base of users on social networking sites, opening API interfaces for external developers and offering new games; in 2009 Geewa gained almost two million users and launched a new version of its portal Geewa 3.0;
- **Telecom Media** – The service Juup.com launched by the Company (free mobile content) after only a few months reached the Top 20 Megapanel (19th place) in the category New Technologies; The company constantly develops its portfolio of mobile advertising clients and strengthens its leading position;
- **NaviExpert** – the finalist of “Red Herring Europe 100” in 2009; the Company introduced the new 5.0 version of its mobile navigation software (with a unique search for POI feature) and continues cooperation with its Russian partners;
- **Genomed** – obtained the certificates of CF Network (Cystic Fibrosis Network) and EMQN (European Molecular Quality Network), which confirm the quality of delivered medical diagnostics services and enable to develop services in molecular diagnostics; reached a positive EBITDA profitability within a year (1.10.2008-30.09.2009); expanded its offer of molecular diagnostics to 40 types of genetic tests covering, among others, infertility, cardiology, neurology,

oncology, ophthalmology; received financing from PARP in the amount of 2.2 million PLN for the application of modern technology in Medical Diagnostics; commenced execution of the agreement with the Institute of Mother and Child for the performance cystic fibrosis screening tests in infants – the Genomed clinic performs genetic testing as part of the National Infant Screening Research Program in Poland; a new headquarters of the company: due to its dynamic growth, the company changed its headquarters to a newly built modern building designed to house the clinic and laboratories;

It is also worth mentioning that the current portfolio of MCI represents significant economic value. Total turnover of the MCI portfolio companies exceeds the amount of three billion PLN, the total EBITDA is close to 100 million PLN, while the total number of Internet portal users surpasses 10 million.

The year 2010 poses significant opportunities for the MCI group, which we would like to use to the fullest in order to promote dynamic development of the Group. The key opportunities are: the limited activities of our competitors connected with their needs to restructure their portfolios and difficulties concerning raising new funds; attractive valuations on the market new investments, the improving situation on the disinvestments market, increased interest from International Investors in the Polish market due to good macroeconomic results compared to other countries in Europe and the world.

That is why the results forecast we announced earlier in February assumes the increase of the consolidated net result of MCI by over 51% to the result from the year 2009 (44.4 million PLN). This forecast is based on the assumption that the economic situation will not worsen and the MCI Capital Group at the end of the year 2010 will have managed assets worth over 545 million PLN (including the full investment commitment of the funds managed at the beginning of this year). At present, we are working on four new funds, from which we are planning to launch at least one this year. We are developing the existing distribution channels for our funds and we are preparing to add another channel, which will enable us to address demand from International Investors for PE/VC funds from Poland and Central Europe.

Our main priority will be new investments – we are counting on us being able to finalize at least five new investments this year for the total amount exceeding 50 million PLN. We would like to emphasize subsequent buy-out transactions in the areas of business process outsourcing, distribution/e-commerce and information technology as well as transactions connected with financing growth and expansion in mobile Internet, digital entertainment and cloud-computing.

Our plans for 2010 also include a series of exit transactions. We are planning to execute at least two IPOs; in addition to the IPO of ABC Data we are also considering offerings of companies like Invia, Telecommmedia and Genomed. Of course, we will keep you informed about all these transactions.

I would also like to thank our Investors and Shareholders for the trust they have been showing us. I sincerely believe we managed to strengthen the foundations for the further development of MCI and the actions presently undertaken by us will lead to an even better improvement of efficiency of the whole Capital Group. We expect it to be reflected in even better results and increasing the value of the company.

Yours faithfully,

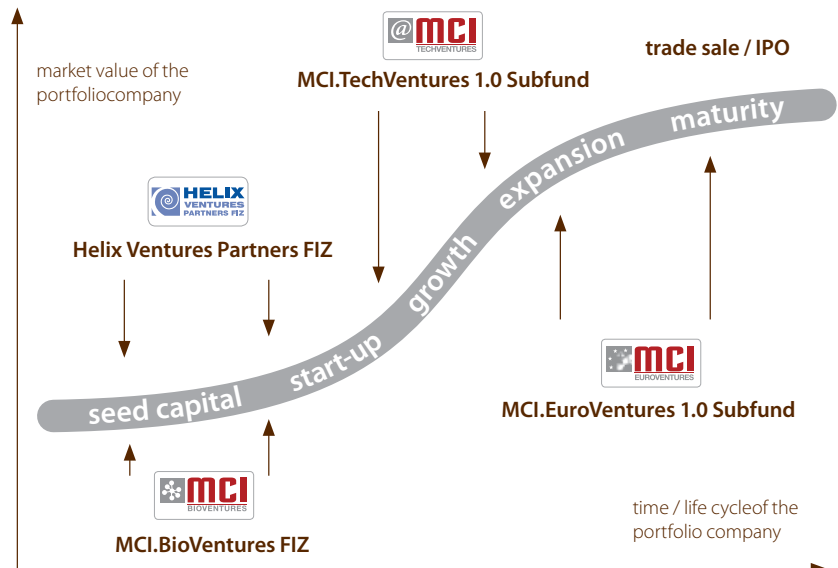
A handwritten signature in black ink that reads "Czechowicz Tomasz". The signature is written in a cursive, flowing style.

Tomasz Czechowicz

President of the Board

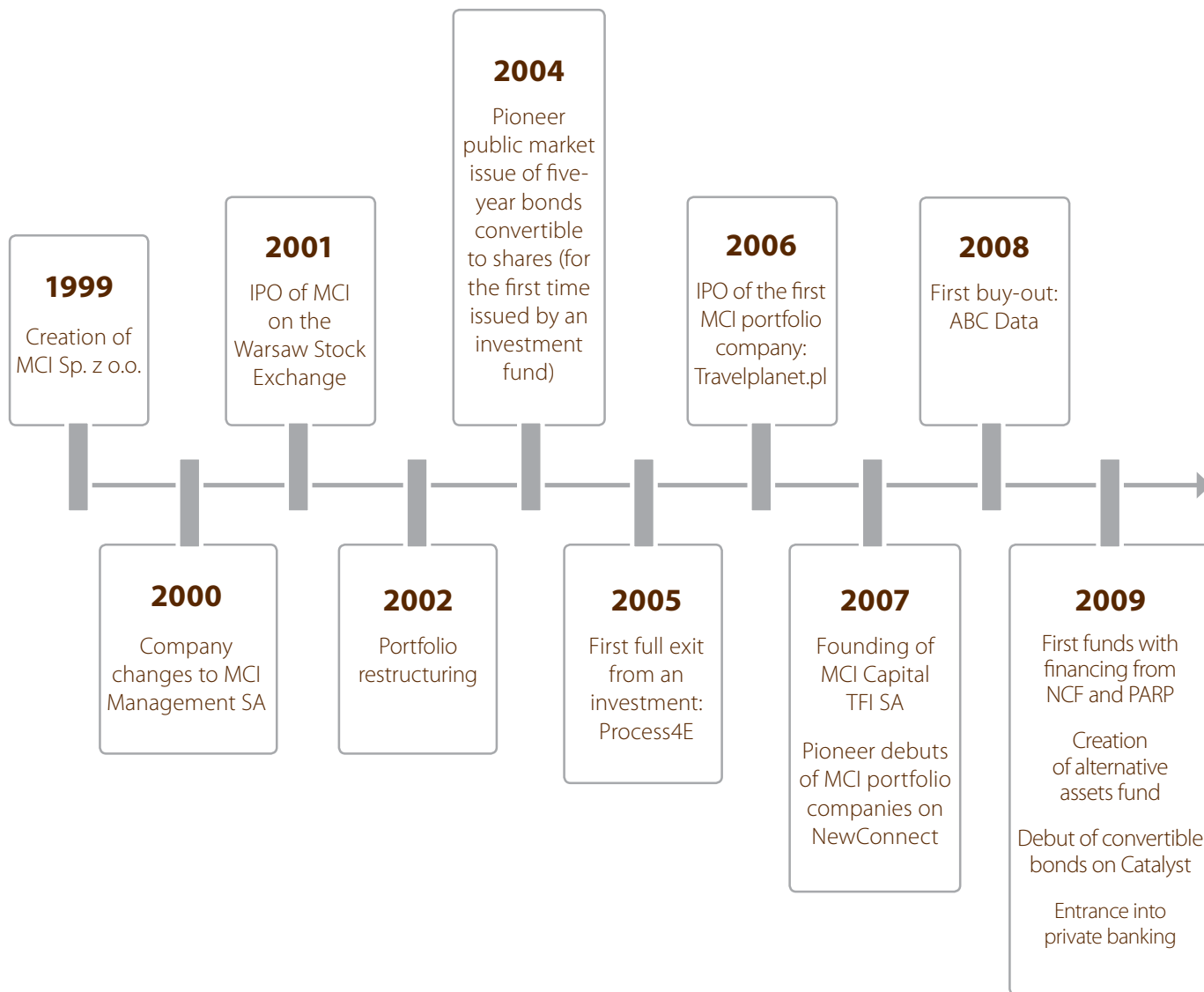
# About MCI

- MCI, created in 1999, is one of the oldest and most experienced groups managing private equity funds in Central and Eastern Europe, with an unquestionable leading position on Polish market.
- Since February 2001, shares of MCI are listed on the Warsaw Stock Exchange.
- Group consolidated assets: 436.3M PLN (assets value as for 31/03/2010).
- The MCI Group manages following funds : MCI.TechVentures 1.0. (Venture Capital), MCI.EuroVentures 1.0. (Growth Capital) MCI.BioVentures FIZ (Venture Capital & Seed Capital), Helix Ventures Partners FIZ (Seed Capital & Start-up) i MCI Gandalf Aktywnej Alokacji SFIO (Absolut Return).
- In 2007 MCI has set up its own investment fund company – MCI Capital TFI SA, which is required to comply with the respective regulations of the Act of 27 May 2004 on investment funds and supervision of the Polish Financial Supervision Authority.
- MCI is a group of professionals with many years' experience in management on the PE/VC market.
- MCI currently has direct investments in Poland and CEE countries.
- MCI's main areas of interest are:
  - Internet and digital media,
  - Mobile Internet and VAS,
  - SaaS and IT services,
  - Distribution and BPO,
  - Healthcare and biotechnology,
  - Clean technologies.



# MCI – milestones

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# Advantages of MCI

## Experience in execution of PE/VC investments

- Since its creation in 1999, the fund has executed 36 projects, with 15 full exits and 5 partial investment exits

## Active support of Management Boards of the portfolio companies from the MCI Team

## Own capital engagement of the management entity

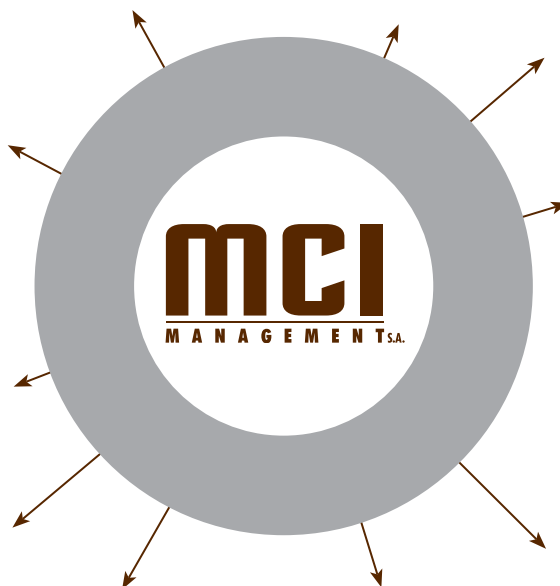
- MCI shares the risk with potential new investors by engaging its own capital

## Narrow, dedicated investment strategy

- Consisting of investments in dynamically developing technology companies operating in the region of CEE

## Attractive class of assets

## Diversified asset portfolio



## Legal transparency of portfolio management structure

- MCI as one of the first PE/VC entities, having met rigorous requirements, launched its own Investment Fund Company under the supervision of PFSA
- The valuation of the fund's assets, verified by an independent auditor, is published quarterly

## Good macroeconomic investment momentum

- Large potential of long-term economic growth in the region of Central-Eastern Europe
- Significant potential of long-term economic development in Poland and the region of Central-Eastern Europe.
- According to the forecast of the World Bank, Poland's GDP will increase in the year 2010 by 2.5-3%
- International Monetary Fund forecasts that Polish GDP will grow by 2.75% in 2010, and by 3.25% in the year 2011

## Time proven ability to hand pick attractive investments

- The stepping stone to seeking new investment targets

## Remuneration based on success

- The fund's remuneration is a share in the profits generated for the investor, that is why the fund management is highly motivated to achieve high ultimate rates of return

# MCI against other PE funds

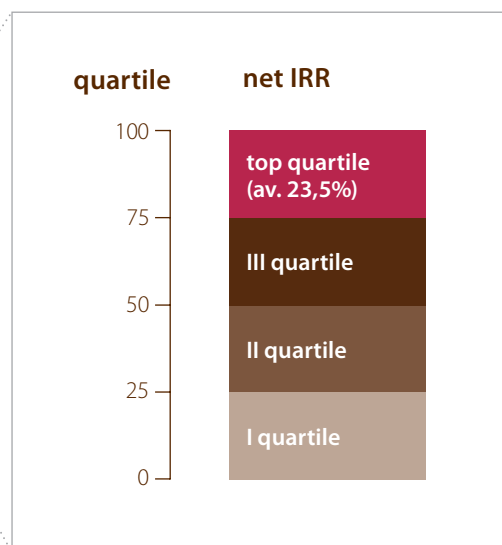
In the first such ranking created by *Red Herring* magazine, MCI management SA was listed in the prestigious company of the two hundred top venture capital funds from all over the world. MCI was the only fund from the region of Central-Eastern Europe to make the list.

The finalists have been carefully selected after evaluating the achievements of over a thousand investment funds operating around the globe. MCI Management SA joined this prestigious group thanks to, among others, the results it generated for the last ten years.

## Results of European PE/VC created in the years 1980-2007

	aggregated IRR (%)	average IRR for the top quartile (%)
private equity	<b>11.7%</b>	<b>23.5%</b>

*Thomson Financial to orders of EVCA; database includes total of 1215 European funds*



**In the period between 01.01.1999 and 31. 03. 2010  
MCI Management SA generated net IRR at the level of 21.32%\*  
and was ranked one of the top European PE funds.**

\* Average net IRR of the whole MCI Management SA portfolio in the period 01.01.1999 – 31.03.2010 (the sum of full and partial exits and book valuation of the portfolio as on 31.03.2010).

## Basic financial data

(000 PLN)	2005	2006	2007	2008	2009
NET INCOME	82 075	91 697	11 836	1 101	8 794
NET PROFIT (LOSS) FROM OPERATING ACTIVITIES	8 268	34 699	74 910	31 555	49 954
EBITDA	9 207	35 946	75 206	31 751	50 232
PROFIT (LOSS)	6 453	32 894	75 335	25 134	42 240
EARNINGS (LOSS)	5 525	29 348	80 386	21 551	44 358
NET ASSETS	54 694	117 437	236 488	300 013	333 679
TOTAL LIABILITIES AND RESERVES FOR LIABILITIES	29 770	62 819	81 888	92 055	67 658
NONCURRENT LIABILITIES	11 172	20 514	66 755	22 668	54 144
CURRENT LIABILITIES	18 598	42 305	15 133	69 387	13 514
SHAREHOLDER EQUITY	21 838	53 142	153 200	206 238	266 021
SHARE CAPITAL	37 800	39 267	40 494	44 706	47 313

## Key efficacy indicators 2008-2010

(000 PLN)	2008	2009	2010*
REVENUES FROM FUND MANAGEMENT	0.88	8.8	18.1
CONSOLIDATED NET PROFIT	21.6	44.4	67.0
CONSOLIDATED NET ASSETS	208.0	266.0	nd
ASSETS UNDER MANAGEMENT**	283.3	418.4	545.0
SUM OF DISINVESTMENTS	29.9	26.3	35.0
SUM OF INVESTMENTS	64.4	29.5	50.0
NET IRR SINCE 1999	17.2%	19.56%	nd
DEBT INDICATOR	30%	20%	nd

\* forecast

\*\* value of net assets and full investment commitment of managed funds, investment assets owned by MCI CG and value of investment commitment at the end of the given year

# The committed team of Partners

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## **Tomasz Czechowicz**

President of the Management Board  
Managing Partner

*Management of MCI Group  
Co-management of MCI.TechVentures 1.0*

*Over 24 years of experience*

- *Technology entrepreneur (1986-1990)*
- *CEO of JTT-Computer (1990-1998)*
- *CEO of MCI (1998 till now)*

*Wroclaw University of Economics  
Wroclaw University of Technology  
MBA, University of Minnesota*



## **Konrad Sitnik**

Vice President of the Management Board  
Senior Partner

*Co-management of  
MCI.EuroVentures 1.0*

*Over 17 years of experience*

- *Securities and Exchange Commission: Surveillance Department (1993 – 1995)*
- *Raiffeisen Banking Group, investment banking country head (1995 – 2005)*
- *MCI Deputy CEO (2007 – till now)*

*Warsaw University  
MBA, University of Minnesota*



## **Beata Stelmach**

Vice President of the Management Board  
Partner

*President of the Management Board of  
MCI Capital TFI SA  
Creation of new innovative products in  
PE/VC and management of the Group's  
communications*

*Over 19 years of experience*

- *Co-creator of the capital market in Poland (KPWiG, 1991-1999),*
- *President of the Warsaw Commodities Exchange; executive member of the governing bodies of WSE listed companies like, among others, Bioton, Prokom Software, Travelplanet.pl,*
- *President of the Stock Exchange Issuers Association, member of the board of European Issuers (since 2006)*

*Warsaw School of Economics  
MBA, INSEAD  
MBA, Calgary University*



## **Roman Cisek**

Member of the Management Board  
Associate Partner – CFO

*Responsible for operations and  
finances in MCI Management S.A.*

*Over 11 years of experience*

- *Manager of the pre-IPO and IPO project of Travelplanet.pl (2004-2005)*
- *Manager of the project creating MCI Capital TFI SA and the first fund MCI PrivateVentures FIZ (2006-2008)*
- *Member of the board of MCI Management SA responsible for finance and organization (2005 till now)*

*Wroclaw University of Economics*



## Sylwester Janik

Venture Partner

*Co-management of MCI.TechVentures  
Development of new funds*

*Over 15 years of experience*

- Director of development of the Technology Accelerator, offset program of Lockheed Martin (2004-2006)
- Consultant to the board of ATM SA (2006-2008)
- Venture Partner at MCI (2008 till now)

*University of Gdańsk  
MBA, Cass Business School*



## Małgorzata Walczak

Venture Partner

*Management of HVP FIZ,  
new deals execution in HVP FIZ*

*Over 12 years of experience*

- Managed the largest region of the United Nations peacekeeping mission in eastern Timor (1999-2000)
  - Managed the company Optimus SA (2002-2005) – achieved profit on every financial level
  - Creation and Management of the MCI seed fund (HVP FIZ)
- Warsaw University  
Sorbonne University, Paris VII, III  
MBA, University of Minnesota*



## Grzegorz Gromada

Investment Partner

*Management of MCI.BioVentures fund and development of the biotechnology fund portfolio*

*Over 11 years of experience*

- Vice-President of the Board of Wrocławski Park Technologiczny SA (1998-2007)
  - President of the Board of MCI.BioVentures Sp. z o.o. (2007 till now)
- Wrocław University of Technology*



## Michał Rumiński

Investment Partner

*Co-management of MCI.EuroVentures  
Large ECM and M&A transaction  
Development of new funds*

*Over 11 years of experience*

- He successfully executed over 20 M&A / ECM transactions on the Polish and international capital markets.
- He created and introduced the concept of presence of KBC Securities in Poland and in the CEE region (in the scope of corporate finance).
- He managed the investment banking division and its integration with the KBC Group in Poland.
- He is the author of scientific publications on the financial markets

*Warsaw University  
Warsaw School of Economics  
MBA, Chicago GSB*



## Jacek Murawski

Investment Partner

*Co-Management of MCI.TechVentures  
New deal execution*

*Over 20 years of experience*

- CFO at Tchibo (1998-2001)
  - CFO at PTK Centertel (2001-2006)
  - CEO at Wirtualna Polska (2006-2008)
- Warsaw School of Economics  
EMBA, WSB/HEC*

# Supervisory Board

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**Hubert Janiszewski**

Vice-president of the board of Deutsche bank Poland SA and Deutsche bank PBC SA. President of the supervisory board of DB Securities SA, ElstarOils SA and EmLab. Former managing director of Deutsche bank AG in London, Bankers Trust Co in London. Former president of HSBC Financial Services in Warsaw.



**Dariusz Adamiuk**

Former president of PZU Asset Management, vice-president and CIO in PTE PZU, director of the office of the investments and consultant on alternative assets for PZU. Chief of investment banking four ABN AMRO (Poland).



**Sławomir Lachowski**

The creator of mBank – the first virtual bank in Poland and MultiBank. Former president of the board of BRE Bank, vice president of the board of PKO BP and vice president of the board of PBG SA. For many years he worked at for the Institute of Economic Development at SGPIŚ. He is a member of supervisory boards of Hochtief Construction AG and KS Widzew SA; he is also a member of board of the Educational Enterprise Foundation.



**Andrzej Olechowski**

Former Minister of Finance and Foreign Affairs. European vice-chairman of The Trilateral Commission and executive member of, among others, Stefan Batory Foundation, Institute of Public Affairs and the Economic-Social Association Foundation.



**Waldemar Sielski**

IT Consultant for UNIDO Commercial Manager in Olivetti Poland. Former Managing Director of Microsoft Corporation Poland Sp. z o.o. Private investor in IT and medical sectors.

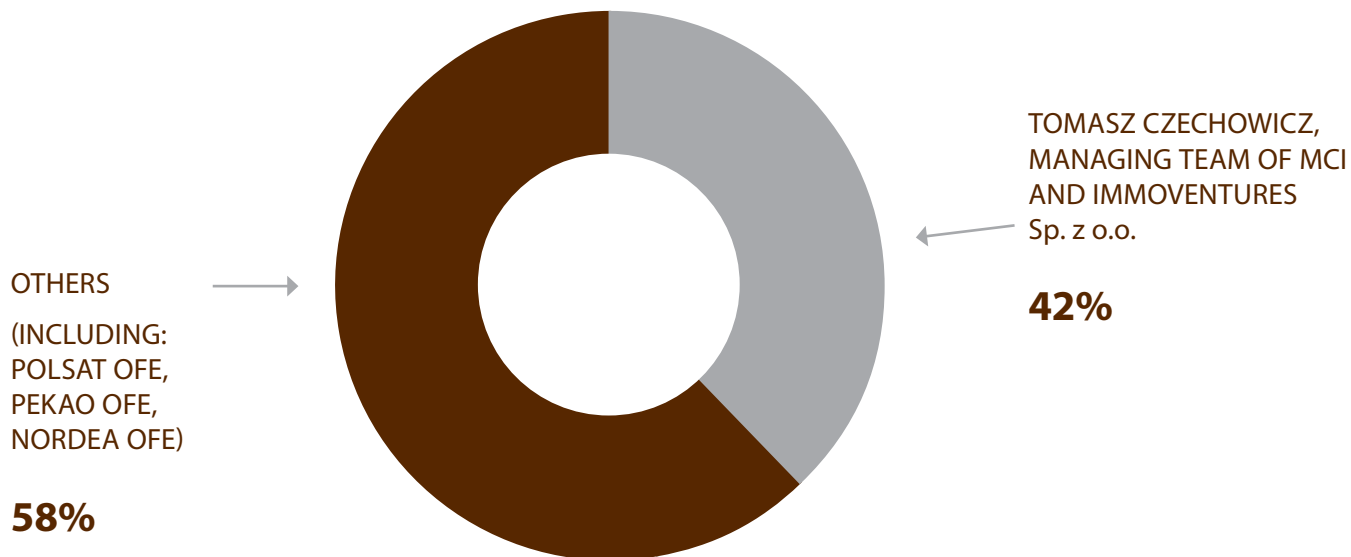


**Wojtek Siewierski**

Investment Partner at Mitsui Ventures Silicone Valley Office in Menlo Park, CA, USA. Investment Adviser for Mitsui Co. Japan Private Equity Division. Earlier, Managing Director in DoCoMo Europe Ltd. in London and managing Director in NTT DoCoMo Inc.

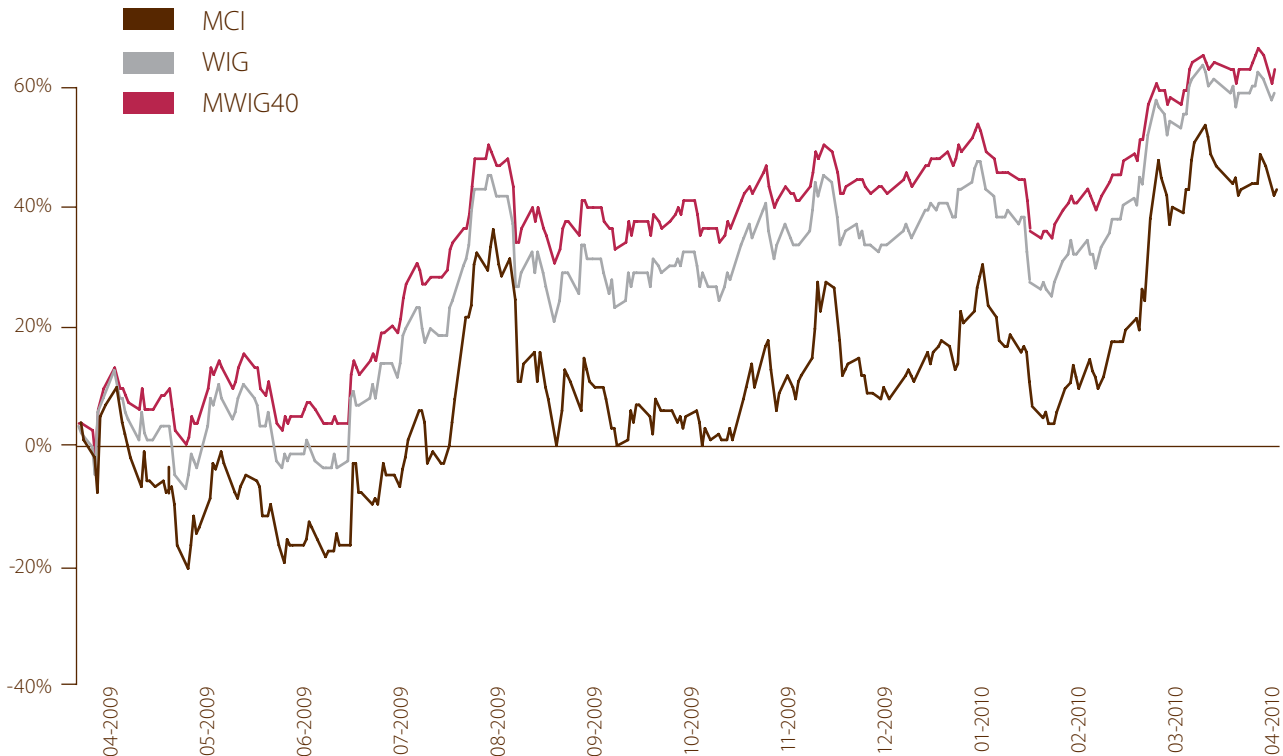
# Shareholding

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as on 13/04/10

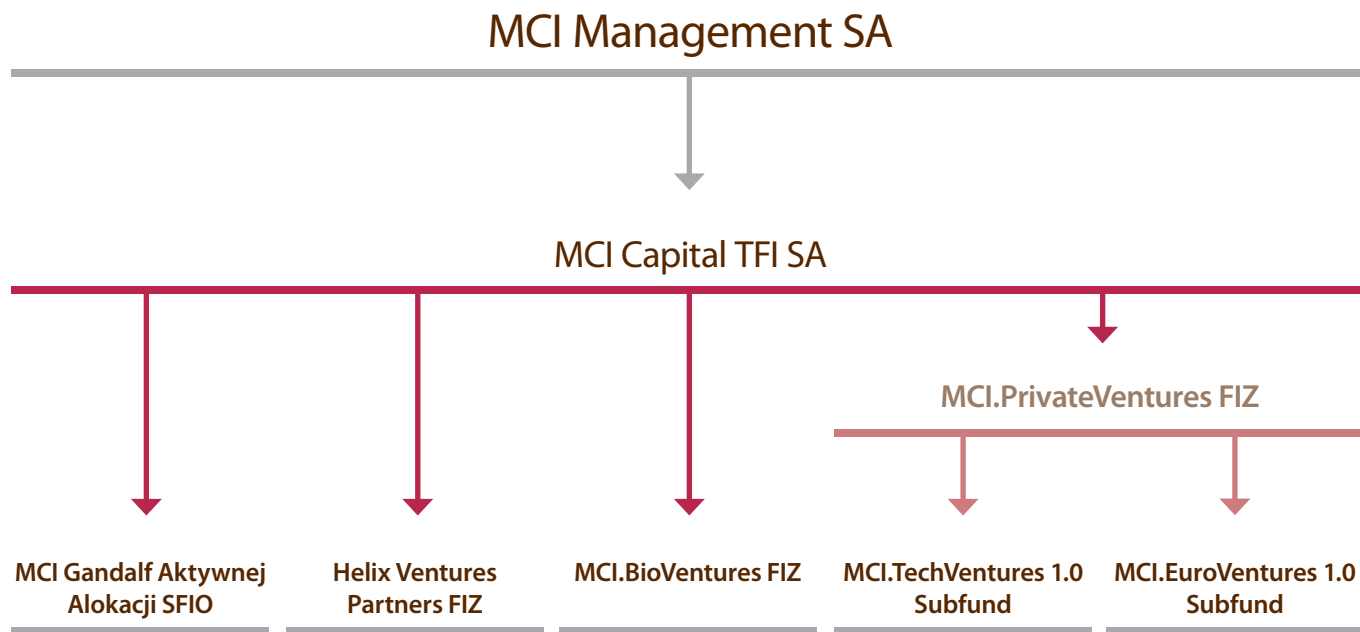
# MCI's long-term performance on WSE



Stock prices of such entities as MCI Management SA are extremely sensitive to changes in market conditions, which is especially noticeable during the bear market. Consequently, during the economic slowdown it leads to a sizeable underestimation of the value of these entities.

Therefore, any assessment of behavior of MCI shares on the stock market must be made in the long term: as shown by the experience of the previous crisis, and then the stock market boom which prevailed in subsequent years, investment in shares of MCI brought investors satisfactory, above-average rates of return.

# Organisational structure



The MCI Funds' auditor is Ernst&Young.

# Funds currently managed by MCI

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## MCI.TechVentures 1.0

Management: Tomasz Czechowicz, Sylwester Janik, Jacek Murawski

- Value of managed assets: 125.9 M PLN\*
- Sector focus: Internet, TMT, digital media, mobile internet (B2C), e-commerce
- Investment strategy: financing growth / expansion
- 1.5–5 M EUR



## MCI.EuroVentures 1.0

Management: Konrad Sitnik, Michał Rumiński

- Value of managed assets: 224.3 M PLN\*\*
- Sector focus: TMT, financial and business services, e-commerce, distribution, BPO, cleantech
- Investment strategy: financing growth / expansion / buy-outs
- 5-25 M EUR



## MCI.BioVentures FIZ

Management: Grzegorz Gromada

- Value of managed assets: 8.2 M PLN\*
- Sector focus: healthcare, biotechnology, medtech
- Investment strategy: growth financing (healthcare); seed capital (medical technologies and biotechnology);
- 0.2 – 1 M EUR



## Helix Ventures Partners FIZ

Management: Małgorzata Walczak

- Value of managed assets: 40 M PLN\*\*\*
- Sector focus: Internet, software, mobile and wireless technologies (B2B)
- Investment strategy: seed and start-up companies
- 0.5– 1.5 M EUR



## MCI Gandalf Aktywnej Alokacji SFIO

Management: Robert Nejman, Dorota Nejman and Dariusz Kowalski

- Value of managed assets: 19.2 M PLN\*
- The minimum investment threshold is 40.000 EUR
- The Fund invests on all major stock markets around the world, on major commodity markets, foreign exchange markets and debt instruments markets; it does not operate on the real estate markets or PE investments.
- Investment strategy: generating returns far exceeding those available on bank deposits, regardless of the situation on the capital market and to minimize the risk of incurring a loss.

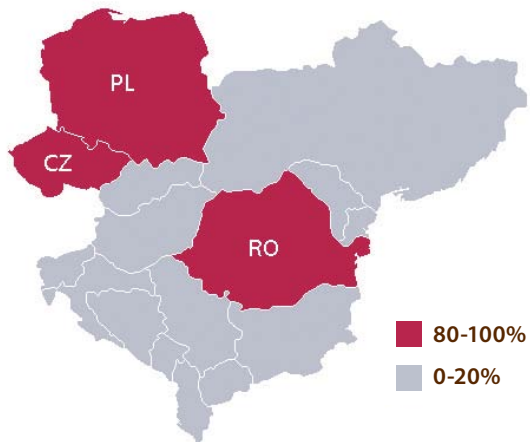
\* official book valuation of net assets of the fund as on 31 March 2010

\*\* official book valuation of net assets of the fund + value of the share package of ABC Data owned by MCI Group as on 31 March 2010

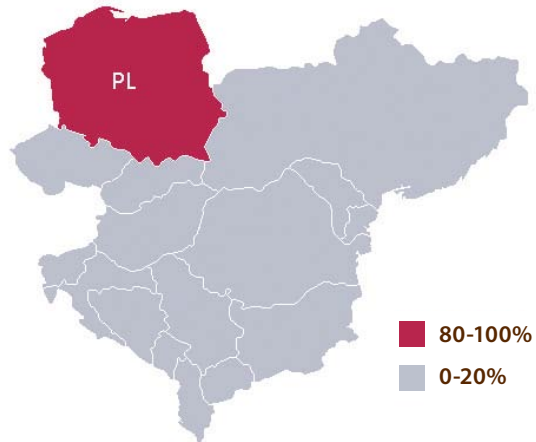
\*\*\* total value of investment commitment of the fund

# Geographic allocation strategy of the MCI funds

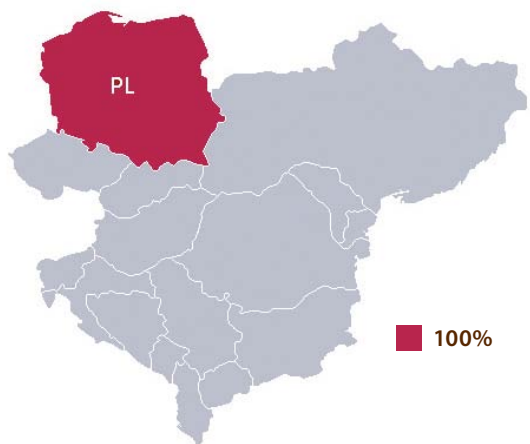
**MCI.TechVentures 1.0**



**MCI.EuroVentures 1.0**



**MCI.BioVentures FIZ  
Helix Ventures Partners FIZ**



**MCI Gandalf Aktywnej Alokacji SFIO**

*Varying location strategy*



# Investment strategy

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## PHASE I

The fund selects companies which may become the subjects of investments. Next, the list of potential investment objects is narrowed it down to “investment opportunities” and “qualified investment opportunities,” whereas the selected companies are subject to further scrutiny. In this phase the fund proposes to the selected companies the preliminary plan of further actions and general conditions of the transaction (the so-called termsheet).

## PHASE II

The fund conducts detailed due diligence of the legal, financial, business and technological aspects of the company, which the given fund is interested in. If it should turn out positively, the fund agrees with the company or its owners the terms and conditions of the investment agreements, regulating the form of the investment in the company. During this phase the fund prepares an optimum structure for the investment.

## PHASE III

The results of the conducted due diligence and the recommendations of the investment team of presented before the investment committee. The investment committee then takes a decision as to the value of engagement in the company. At this stage the final terms and conditions of the agreement with the selected company or its owners are negotiated. If the investment agreement should be signed and concluded, the company becomes a portfolio company.

## PHASE IV

Once the period of investing in the portfolio companies is over and the company reaches the value which would allow selling the shares or stock in the company with a profit, the fund executes a so-called investment exit. An investment exit is generally executed by introducing the shares of the company to be traded publicly on the regulated or the alternative market (in Poland the WSE and NewConnect respectively) or otherwise by selling the shares or stock to another entity (usually and other VC/PE fund or a strategic industry investor).

The persons interested in obtaining financing for their project are requested to contact us at: [inwestycje@mci.eu](mailto:inwestycje@mci.eu)

# Current investment portfolio



INVIA  
.CZ

Telecom Media

naviexpert  
Nawigacja GPS w telefonie

travelplanet.pl

one2one  
mobile ideas

intymna.pl

geowa

Retail Info

digital  
avenue

NetPress

biznesnet

ZŁOTE  
MYSLI

domzdrowia.pl  
aplika internetowa

belysio  
my social navigator



ABC  
DATA



24med  
pogotowie  
ratunkowe

Genomed

4med  
centra  
medyczne



sejf

as on 04/13/10

## Selected portfolio companies

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### ABC DATA

The leader on the IT distribution market in Poland with over 20 years in the business. For several years also in the Czech Republic and Slovakia. It has the largest offer of all distributors: over 30 thousand products and 280 suppliers. The company realizes over 90% of its orders via InterLink, its own renowned online sales and customer support platform. ABC Data's partners also appreciate the offered added-value services and trainings. In the years 2009 and 2010 world's largest manufacturers considered ABC Data the best IT distributor in Central Eastern Europe.



### TRAVELPLANET

Travelplanet.pl SA is an e-commerce company and one of the leading companies offering broadly understood travel services over the Internet and other modern distribution channels. The company operates as a travel agent selling travel packages, airline tickets, and hotel bookings and then sells marketing services through its main two distribution channels: Internet portals and call center. Travelplanet.pl was founded in 2001 and already in the first year of its operation it achieved the leading status in online travel in Poland. In 2005, the company made its debut on the WSE and is now their largest online travel agent listed on the Warsaw stock exchange. It is the number one in online travel according to the ranking of online stores 2009 prepared by Money.pl and Wprost.



### INVIA

It was founded in the Czech Republic in the year 2002 and since that time it has become the leader of online travel in the Czech Republic and Slovakia. The company cooperates with over 220 tour operators and offers over 8000 holidays; hence its offer is the largest on the market. The Invia.cz portal has over 210,000 registered users, and each month it generates around 700,000 unique sessions. In June 2009, the company acquired NetTravel.cz which resulted in the company controlling 60% of the e-travel market in the Czech Republic and Slovakia. Invia ranked 18th in the listing „Deloitte Technology Fast 50 Central Europe”.



### TELECOM MEDIA

It is one of the leading suppliers of digital content for mobile phones. This content includes multimedia gadgets, enabling to personalize your phone that means setting it up with personal features like setting your favorite music as a ringtone, an alarm sound, installing a screensaver or screen background as well as entertainment products: most of all games, animations, video clips and music videos. Apart from selling digital content, the company also specializes in so-called mobile advertising, i.e. an advertisement displayed directly on a user's mobile phone. Telecom Media, operating in this area under the brand Spotler, is a pioneer and present time they only player on this market. The service Juup.com launched by the company (free mobile content) after only a few months was featured in the top 20 Megapanel in the category of New Technologies. The company is constantly expanding its portfolio of mobile advertising clients and strengthening its leading position.



**NAVIEXPERT**

It is the creator and operator of the first Polish GPS navigation system working on majority of modern mobile phones. The system boasts all the features of traditional navigation systems and a whole range of possibilities and variable using online technology. Thanks to the unique Community Traffic™ technology (devoid in traffic jams) and constantly updated maps, it allows the user to arrive at his destination 10 to 50% faster than using traditional satellite navigation. It does not require purchasing any additional equipment, manual updating of maps or software. Thanks to the community-created content and constantly updated online information about events on the roads you are able to reach your destination safely. The finalist of "Red Herring Europe 100" 2009. The company has launched a new version 5.0 of the navigation software (the application was updated with the feature to search for POIs) and continues cooperation with its Russian partners.



**GEEWA**

It is concerned with operating an online gaming platform enhanced with social networking features. Since May 2009, it offers online games on Facebook – "8-Ball Pool game" became the single most popular pool game with daily gains of two unique users reaching 2%. It is Geewa's ambition to become the leader in online games in the next few years. Geewa has gained almost two million users and launched a new version of its portal Geewa 3.0.



**INTYMNA**

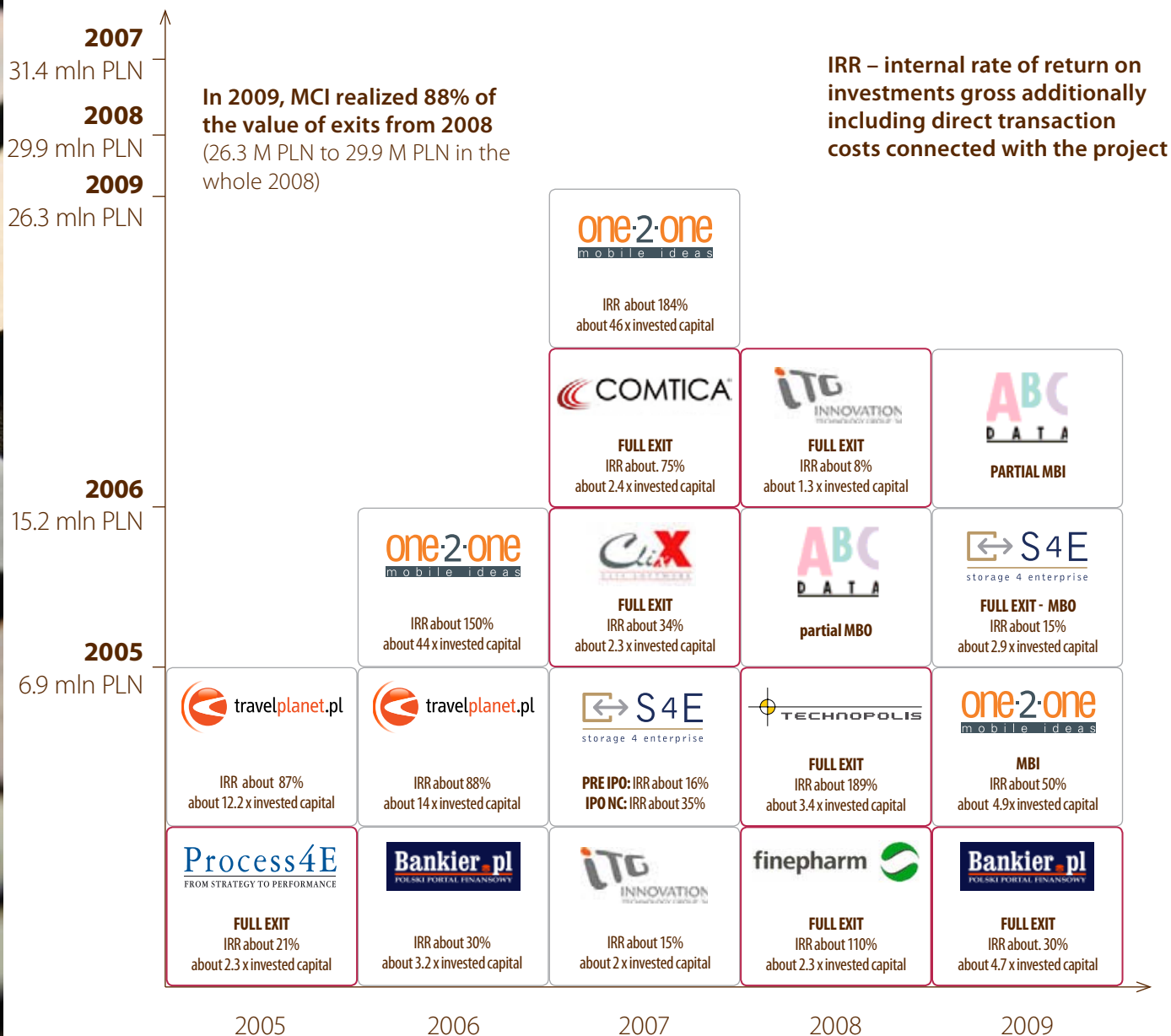
The most popular Polish online lingerie store, the leader in online lingerie sales; it operates since 2001. Half a million people visit Intymna.pl portal monthly, with about 5000 visitors placing an order. The store offers lingerie products, closing, cosmetics, perfume, haberdashery and jewelry. It was recognized as the number one store, among others by the online store ranking of Wprost and Money.pl in 2006 and 2007 and also in the ranking "the best online shops of Internet Magazine 2006" in the clothing category. It won first prize in the competition "Fashion Website Awards 2010."



**GENOMED**

The company offers DNA sequence analysis services used in molecular medical diagnostics, industry, science and forensic medicine. The company reached a positive EBITDA profitability within a year (1.10.2008-30.09.2009). In 2009 the company received financing from PARP in the amount of 2.2 million PLN for the application of modern technology in Medical Diagnostics. The Company obtained the certificates of CF Network (Cystic Fibrosis Network) and EMQN (European Molecular Quality Network), which confirm the quality of delivered medical diagnostics services and enable to develop services in molecular diagnostics. The company commenced execution of the agreement with the Institute of Mother and Child for the performance cystic fibrosis screening tests in infants – the Genomed clinic performs genetic testing as part of the National Infant Screening Research Program in Poland.

# Portfolio exits



# Exit from Bankier.pl

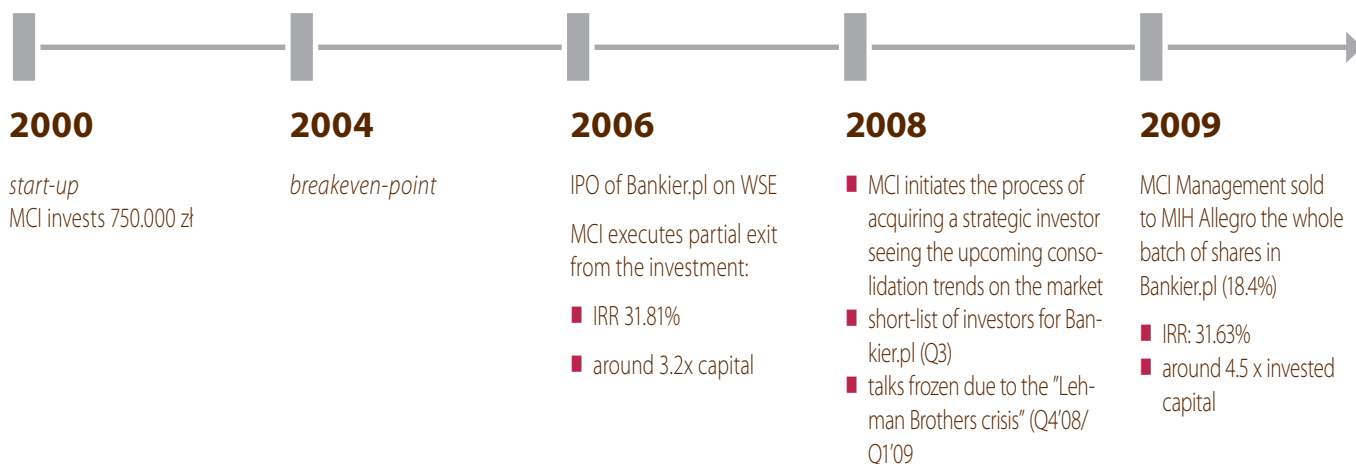
Bankier.pl SA was founded in the year 2000, as a pioneer endeavor in online finance. It is the leader on the Polish market of online media companies focusing on the financial sector. The company generates revenues from the sale of advertising space and from financial agency and consultancy services. Bankier.pl offers the products and services of nearly 50 renowned financial institutions which are made available through the portal's distribution channels to over seven million people each month. The Bankier.pl Group includes portals and websites regarded as the top sites in their subjective categories: Bankier.pl, Twoja-Firma.pl, PIT.pl, VAT.pl, OsobyPrawne.pl, PRNews.pl, MamBiznes.pl and Mojeauto.pl.

The call to enroll in the sale of 100% shares of Bankier.pl was announced by Naspers on 9 June 2009. At first, the price in the call was PLN 8.70 then it was raised to PLN 9.00. It is also significant that on 7 July 2009, Bankier.pl paid dividends

in the amount PLN 0.39 per one share. On 30 July 2009, the criterion being the condition to complete the offer successfully was met, i.e. MIH Allegro (subsidiary of Naspers Ltd.) purchased at least 67% of shares in Bankier.pl

On 9 June, MCI Capital TFI, acting on behalf of MCI Private Ventures FIZ, concluded an agreement to sell by MCI the whole share package of 18.4% in Bankier.pl SA to MIH Allegro B.V. For MCI the sale of the whole share package in Bankier.pl meant the full exit from this investment. The IRR at the exit of this investment was 31.63% (with 30.38% on the whole project).

Bankier.pl was one of MCI's oldest investments, operated from start-up phase (2000). Already in 2004, Bankier.pl reached breakeven-point and in 2006, it met all the criteria to become a public listed company. It was then that MCI introduced Bankier.pl to the primary market on WSE, while making a partial exit.



# Fundraising

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## Capital raised from the public market:

stocks and bonds of MCI aimed at stock exchange investors (including pension funds, open-ended investment funds and asset management investors)

## Capital raised from European Union:

acids for new investments gained by, among others, Helix Ventures Partners and MCI.BioVentures

## Individual investments from private persons:

significant private investors in the funds Helix Ventures Partners, MCI.BioVentures and MCI.TechVentures (the pioneer offer aimed at banks' clients)

## Debt financing:

bank loans, non-public bond issues

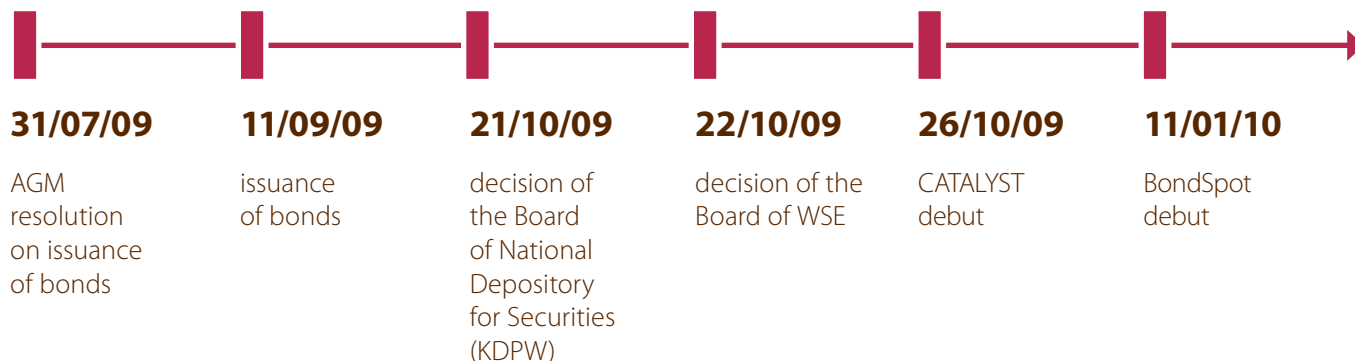
# The emission of bonds, September 2009

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In September 2009 MCI Management SA completed successfully a non-public issue of bonds convertible to shares. Due to high demand, surpassing supply, orders had to be reduced. The issue was indented mainly for institutional investors. Three-year bonds convertible to shares were offered. The size of the issue was 5000 pcs, worth a total PLN 50M.

## Selected parameters of the bonds:

- bearer bonds, convertible to shares, 3-year, maturity on 10 September 2012 (if right to convert to shares was not used);
- conversion price 6.25 PLN;
- MCI holds the right to call for early redemption, however not earlier than after 11 September 2011, and provided that even once MCI stock price on WSE exceeds conversion price by 50%;
- interest paid semi-annually: on 12 March and 10 September 2010, 11 March and 9 September 2011, 9 March and 10 September 2012.





# What is Private Equity / Venture Capital

**Private Equity (PE)** investments are executed through specialized funds, which acquire stock and shares in companies not listed on regulated public markets, with the intention to increase their value and sell with a profit in the future. The sector of PE investments has enjoyed dynamic growth for over 30 years.

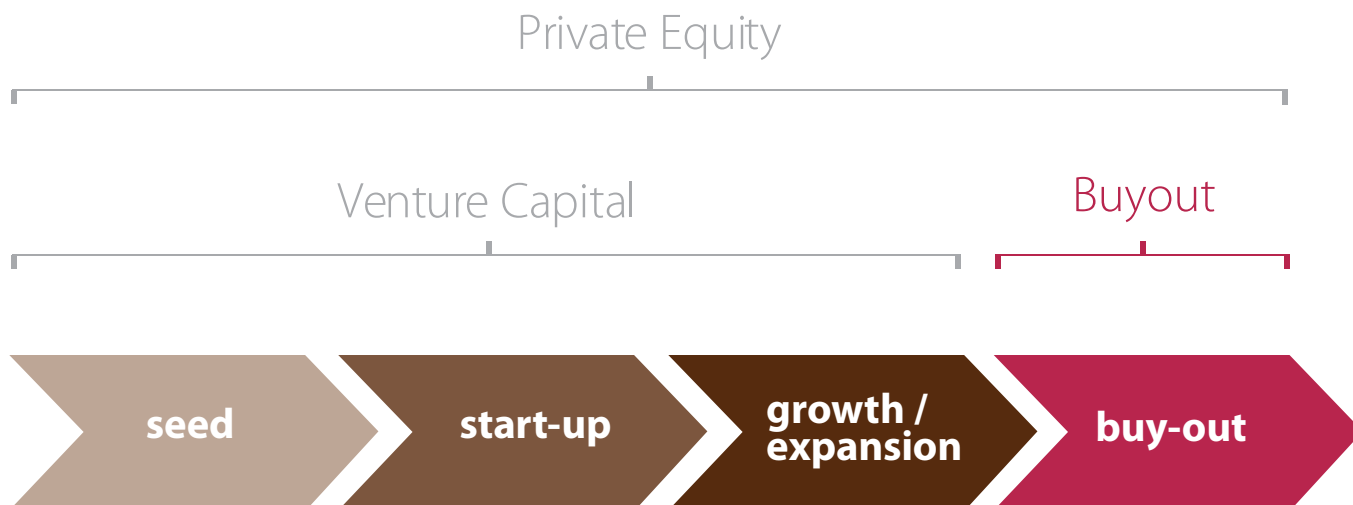
Individual funds have their own investment policies that prefer selected industries, regions or business development stages.

**Venture Capital (VC)** is one of the varieties of Private Equity, which means investing in businesses on early stages of development.

The specificity of the activities of PE funds consists in the fact that during the term of the investment (on average from 3 up to 7 years) they assist the enterprises with specialist knowledge and build their value in order to generate profits when exiting the investment.

PE/VC capital most often goes to enterprises in order to finance:

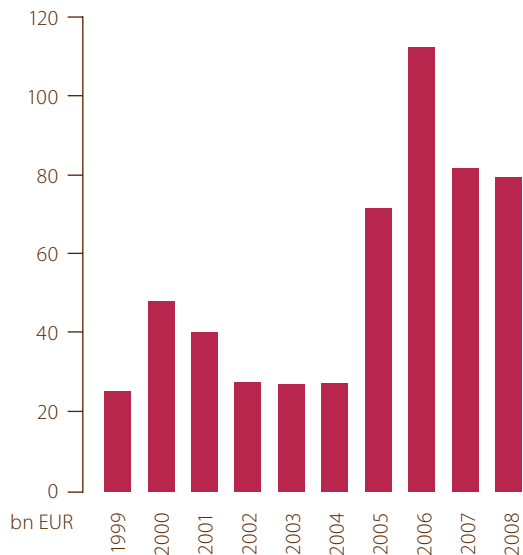
- development of new products and technologies,
- escalation of their activities,
- mergers and acquisitions.



# The PE/VC market in Europe

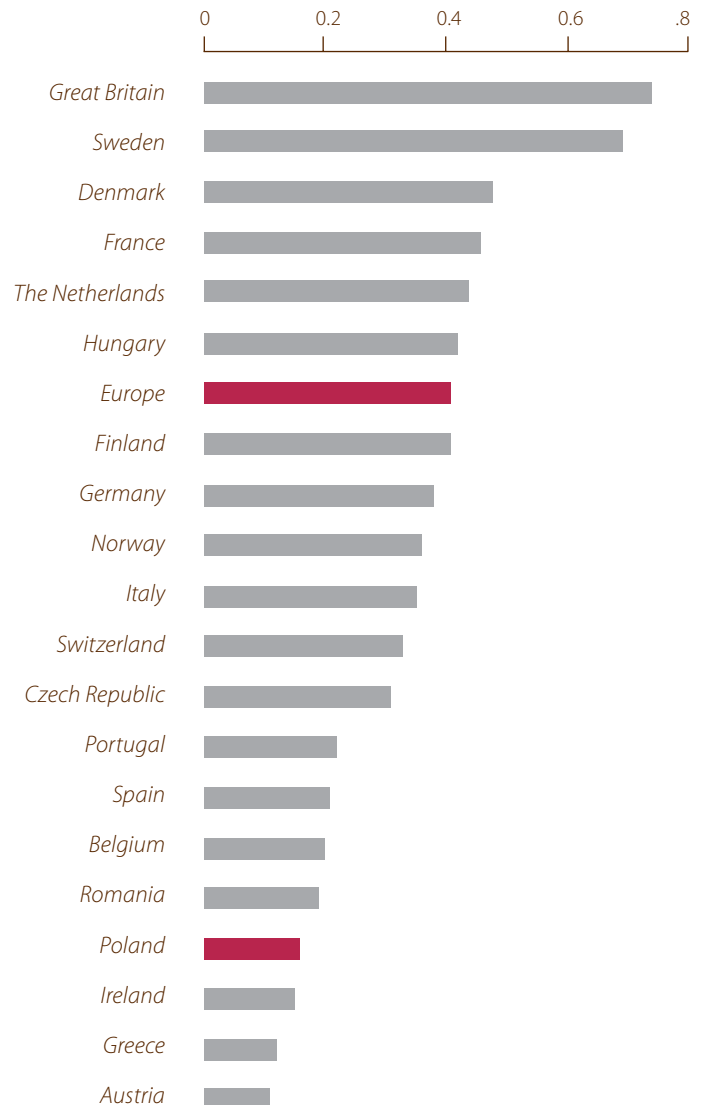
- There is a high development potential for PE/VC funds in Central-Eastern Europe compared with more mature European economies.
- The majority of PE/VC investment activities in the region concentrate around Poland, Czech Republic, Romania and Bulgaria.
- There is a new, active generation of well-educated and highly motivated Polish entrepreneurs, who are able to build businesses that can successfully compete on the global markets.

## Capital gathered by PE/VC funds during the years 1998-2008 in Europe



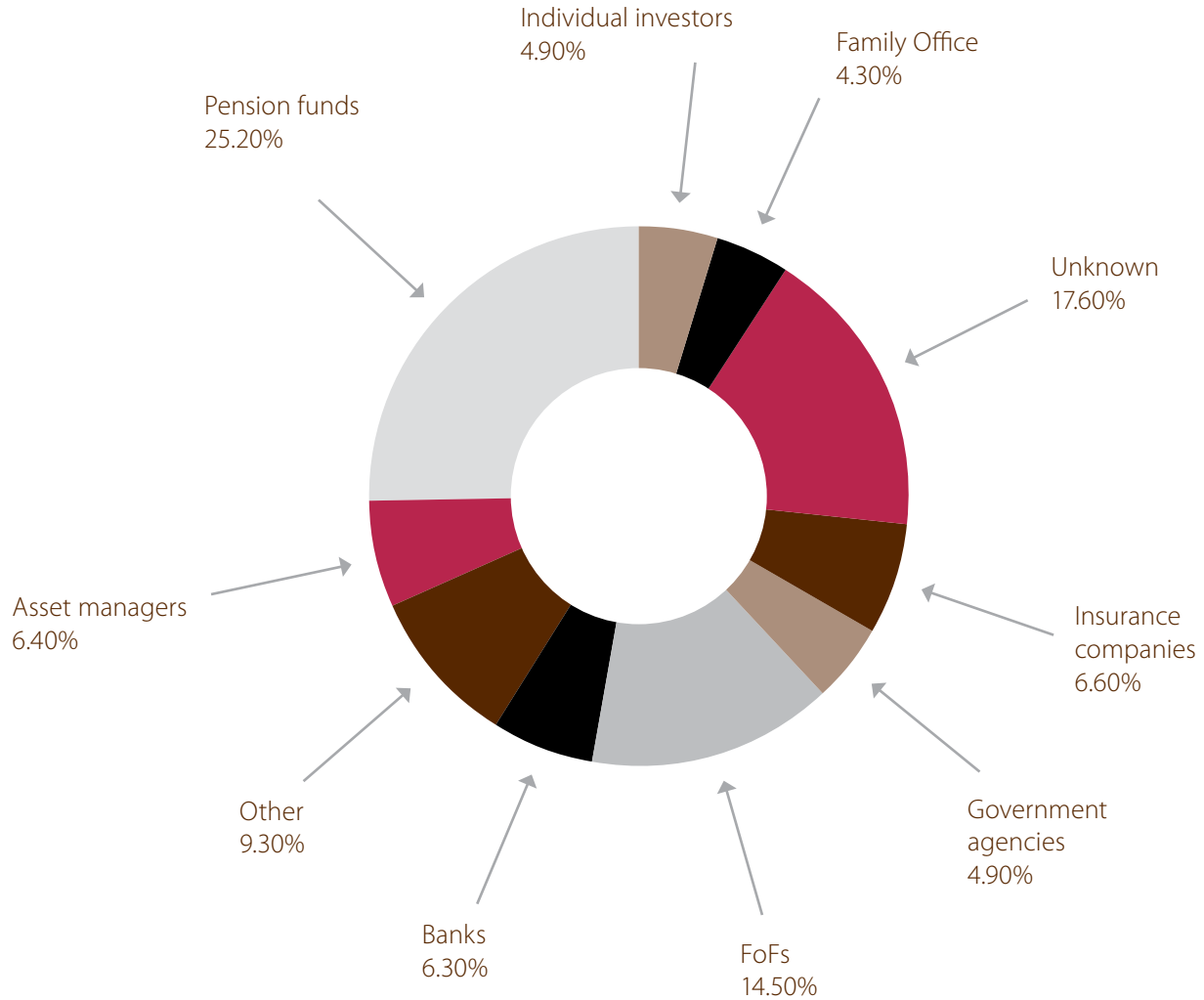
source: EVCA/PEREP

## Investments in PE/VC in Europe as % GDP in 2008



source: EVCA/PEREP

# Types of investors in the sector of PE/VC funds in Europe



In 2008 individual investors and Family Offices entrusted PE/VC funds with the management of a total of over EUR 7 bn.

# Historical return rates on different asset classes

Annual return ratio for the given period (as on 31.12.2009)	1 year	5 years	10 years
<b>Stock exchange indexes</b>			
WIG	46.85%	8.46%	8.26%
WIG20	33.46%	4.03%	2.93%
DJI	18.82%	-0.67%	-0.97%
NASDAQ	43.88%	0.85%	-5.67%
S&P500	23.48%	-1.65%	-2.72%
FTSE 250	46.31%	6.05%	3.74%
CAC 40	22.31%	-0.59%	-4.06%
DAX	23.85%	6.96%	-1.54%
<b>Investment funds*</b>			
Stock funds	40.88%	6.05%	8.11%
Balanced funds	26.54%	4.63%	6.50%
Capital protection funds / Bonds	3.79%	3.80%	6.54%
<b>Raw materials</b>			
Gold	25.04%	20.08%	14.12%
Silver	57.46%	20.05%	12.29%
Oil	87.25%	12.87%	12.01%
<b>Currencies</b>			
USD/PLN	-3.76%	-0.96%	-3.68%

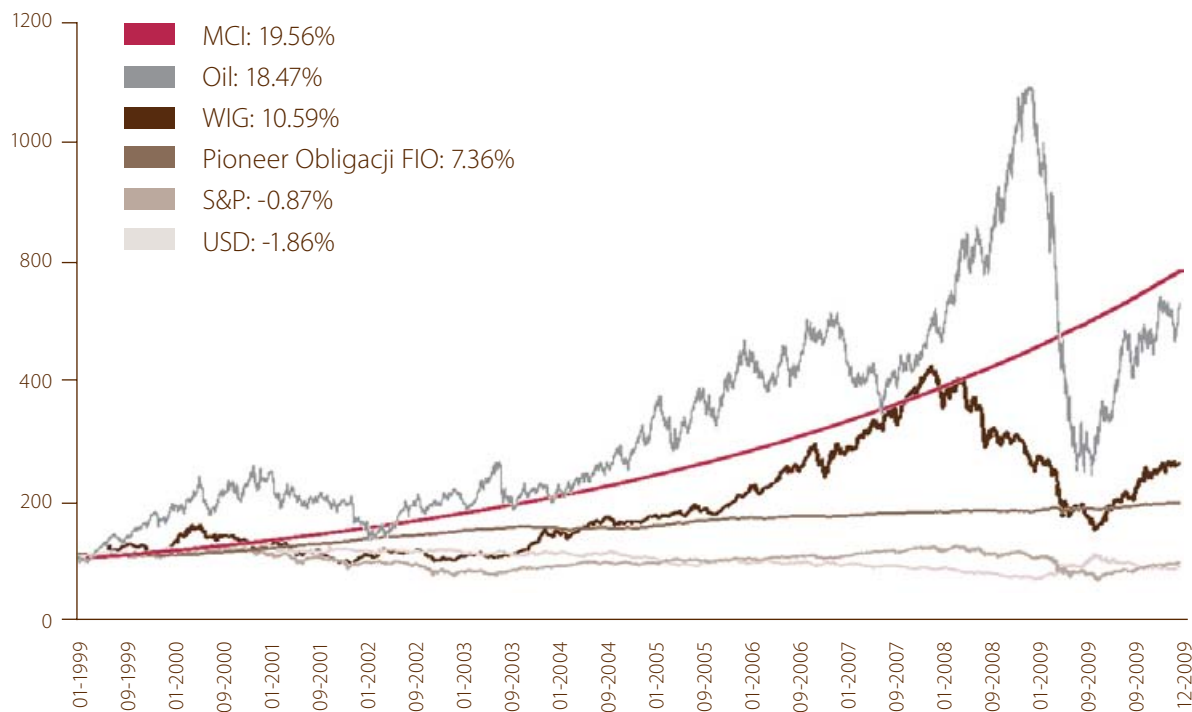
\* Arithmetic average of returns of selected open-end investment funds managed by investment fund companies Arka, DWS, Pioneer and Skarbiec.

Source: own study

## Charts – long-term horizon

■ The chart shows the average annual investment return ratio and cyclical fluctuations of the following asset classes from 01.01.1999 to 31.12.2009:

■ In the 11-year horizon, the assets managed by MCI would bring the highest annual return ratio 21.32% and would allow to multiply the initial investment by more than six times.



Average net return ratio on the whole MCI Management SA portfolio (net IRR) in the period 01.01.1999 – 03.31.2008

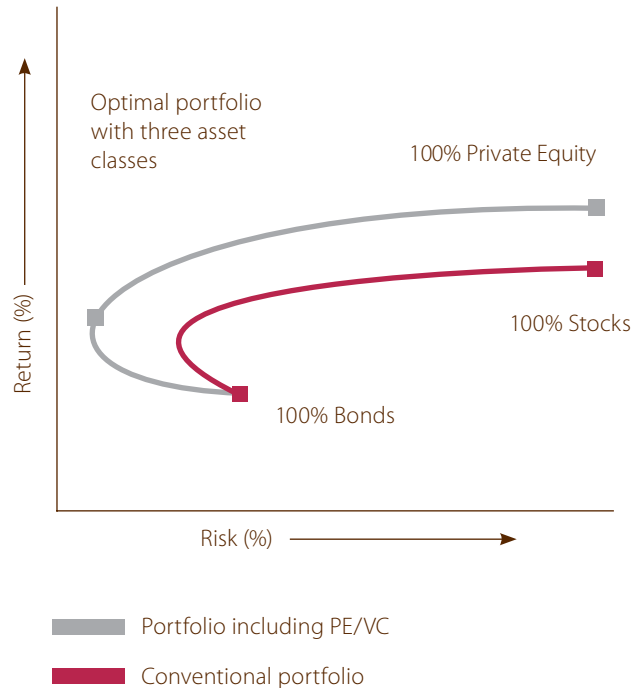
↑ 21.32%\*

\* Average net return rate on the whole MCI Management SA portfolio in the period 01.01.1999 – 03.31.2010 (total of full and partial exits and book valuation as on 03.31.2010).

# Reasons why investing in PE/VC is a good choice

- In the long term PE/VC funds have generated higher rates of return relative to investments in public traded companies, both in Europe and the USA.
- „Stock picking” – one of the main features of expert fund managers is the ability to hand pick those portfolio companies that have a high growth potential.
- The management of PE/VC funds is remunerated by sharing the profits they generate for investors, thus making them highly motivated to achieve the best possible results.
- Portfolio diversification – due to the low correlation between PE/VC returns and public traded stock, introducing diverse instruments to the portfolio you can reduce its volatility and risk.
- PE/VC funds, contrary to typical financial investors, are active and not passive investors.
- Thanks to close cooperation with portfolio companies (strategy, selection of executive management, mergers and acquisitions), the PE/VC fund can be more flexible in managing the companies and have significant influence on their development path, thus their future value.

## Risk efficiency frontier in an investment portfolio



source: EVCA

# Reasons why investing in PE/VC is a good choice

As a response to the current situation on the financial markets, we are offering of products for experienced investors who are looking for above average returns.

We offer the opportunity to invest in PE/VC directly through the certificates of the closed-end MCI funds.

## The proposed instrument: investment certificates of the funds managed by MCI.

### Price of sale:

established on the basis of net asset valuations (quarterly valuation).

### Investment length:

the minimum recommended investment length is three years.

### The reduction of investment risk:

- Portfolio diversification (both geographical and sectoral),
- Own capital engagement of the managing entity,
- Highly experienced management team.

### Historical returns:

previous investments of MCI generated the net internal rate of return at the level of 21.32% a year.



### MCI.TechVentures

- Value of managed assets: 125.9 M PLN\*
- Sector focus: Internet, TMT, digital media, digital entertainment, mobile internet, VAS, e-commerce,
- Investment strategy: financing growth / expansion;
- 1.5–5 M EUR



### MCI.BioVentures

- Value of managed assets: 8.2 M PLN\*
- Sector focus: healthcare, biotechnology, medtech
- Investment strategy: growth financing (healthcare); seed capital (medical technologies and biotechnology);
- 0.2 – 1 M EUR

\* official book valuation of net assets of the fund as on 31 March 2010



We propose the co-operation

# We seek

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## We seek companies

MCI's main areas of interest are:

- Internet
- TMT
- Mobile technologies (B2B & B2C)
- Digital media
- E-commerce
- VAS
- SaaS
- BPO
- Financial services
- Commerce and distribution
- Clean technologies
- Healthcare
- Biotechnology

**The contact details for persons interested  
in obtaining financing for their project:**  
**[inwestycje@mci.eu](mailto:inwestycje@mci.eu)**

## We seek investors

We offer a product for experienced investors who seek above-average rates of return.


We give the opportunity to invest in highly prospective sectors of the economy by purchasing investment certificates in the funds which belong to the MCI Group.

**The contact details for persons interested  
in the possibility to acquire investment  
certificates of MCI funds:**  
**[info@privateequity.pl](mailto:info@privateequity.pl)**

## Legal Disclaimer

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- This material is for marketing information purposes only and does not constitute an offer in the meaning set forth in the act of 29 July 2005 on public offerings and conditions of introducing financial instruments to the organized trading system and on public companies, or in the meaning of the act of 23 April 1964, The Civil Code.
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- The Funds under no circumstances guarantee to fulfill the assumed investment objectives nor to generate a set investment result. The participant of the Funds must be aware of the risk of losing at least part of the paid-in capital. The investor has the possibility to obtain a guarantee in respect to individual investments. Further detailed information is available in the offices of MCI Management S.A. The information concerning the principals of the investment policy and detailed descriptions of risks



involved with investing in the Funds are published respectively in the articles of association of the Funds and the terms and conditions of issue of investment certificates of the Funds and are available in the offices of MCI Capital Towarzystwo Funduszy Inwestycyjnych SA.

- The presented data is only and solely historical information and it does not constitute any guarantee to generate any similar results in the future. It must be considered that the investment result of the Funds is not identical to the investment result of the participant in the Funds, due to the incurrance of additional handling fees or payment of tax dues directly encumbering the profits from the investment in the Funds.
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### **More about us**

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