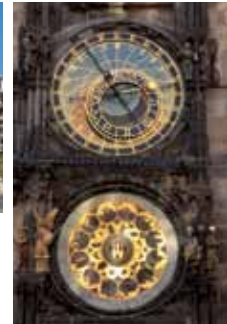




Enterprise Investors



Enterprise Investors

Ambition
Partnership
Strategy
Success

Who we are

Experienced professionals

Enterprise Investors is the oldest and one of the largest firms managing private equity and venture capital funds in Poland and Central and Eastern Europe. The firm was established by John P. Birkelund and Robert G. Faris, who pioneered the private equity and venture capital industry in the US and are now recognized authorities in the field. Building on their success in the US and Western Europe, these private equity experts introduced the best industry standards to the CEE market and became mentors to the EI investment team.

Our experience and network of relationships in local markets count among our foremost strengths. These assets have earned us the respect of leading foreign investors, who regularly entrust us with ever larger funds.

Since 1990 we have managed the capital of major European and American financial institutions. Our objective is to invest the money entrusted to us in companies that demonstrate high growth potential, and then to work with the entrepreneurs and the managers to increase the value of those companies. Our ultimate aim is to return capital to the investors at attractive multiples.

Since inception we have raised seven funds with combined capital in excess of €1.7 billion. In this time we have invested €1.4 billion in more than 120 companies, and exited more than 90 investments with proceeds of €1.6 billion.

Enterprise Investors is an independent, private firm owned jointly by its partners. Our funds invest in companies from Poland and other countries of Central and Eastern Europe, across a wide range of industries. We are able to respond to the challenges of the local economies, regardless of which country we operate in.



Global players

In keeping with global economic trends, we often take on major capital-intensive projects that span many countries, forming consortia with other investors if the scale of the project demands it.

Thanks to the creation of our venture fund we have an offer for all dynamically growing firms, no matter their size and location. Our investments range from €5 million to €100 million or more. We are open to taking minority or majority positions, up to 100% of the firm.

Innovators

Our record as private equity pioneers is impressive – we were the first in Poland to introduce management options. We were also the first financial investor to exit an investment through an initial public offering (IPO) on the Warsaw Stock Exchange and one of the first in Central and Eastern Europe to use bank leverage.

Having supported the development of businesses in the region with our innovative transactions for more than 20 years, we now focus on buyouts, management buyouts and buyins, pre-IPOs and expansion financing.

Enterprise Investors has taken 27 companies public on the Warsaw Stock Exchange – more than any other private equity firm in the region. We actively encourage buyout and buyin transactions, and sponsor the MBI & MBO Club for executives from Central and Eastern Europe interested in pursuing such deals.

Effective investors

Companies need to continuously invest and increase their value, because no business can afford to stand still. One of the best routes to achieving this is by partnering with a private equity firm. At Enterprise Investors we manage funds effectively, achieving an average money multiple of almost three times cost on all exited investments.

High achievers

Most businesses mature in step with the economy. At Enterprise Investors we have the capital, experience and investment expertise to help your company develop faster than both the economy and the competition. We share your aim of meeting the challenges of the global economy and reaping both financial and market rewards.

Having pioneered private equity in Poland, we have built up unparalleled experience that our business partners justifiably view as a mark of guarantee. Our firm's reputation has been confirmed by a number of prestigious awards, including Best Private Equity Firm in Central and Eastern Europe.

Enterprise Investors

How we operate

Ambition

We set ambitious goals. Thanks to our approach, the companies that we invest in usually overtake their competitors and become sector leaders on a local, European and even global scale.

We manage large investments effectively and are flexible enough to succeed with the most unconventional projects. We are interested in growing businesses that have already proved themselves in the market through having a good product or service and skilled management.

Strategy

We invest predominantly in medium-sized privately owned firms, but our venture capital fund provides equity to smaller firms, too. Our period of involvement is usually between three and seven years. After the acquisition we focus on the company's long-term growth, providing additional financing where necessary and systematically reinvesting profits.

We play an active role in the development of our portfolio companies through supervisory board representation, without becoming involved in their day-to-day operations. Firms we work with can count on our full support when making key decisions regarding strategy, operational matters and financial planning. We assist them with recruitment for senior positions, to ensure management is of the highest caliber. We also help them with mergers and acquisitions, and prepare companies for public market entry.

Our extensive network of relationships means we are able to provide introductions to the best legal advisers and accountants, as and when required. We also offer access to our more than 100 past and present portfolio companies and their customers.

Partnership

At Enterprise Investors we treat every investment individually, adapting the strategy to each company's long-term investment plans. We know how to build value, create the right structures and motivate managers. We understand entrepreneurs and management teams, and respect their broad expertise. Together we are able to turn developing companies into impeccably organized, dynamic corporations. In most cases we offer management options to the senior managers of firms that decide to work with us.

Expertise

Enterprise Investors has the most experienced investment team in Central and Eastern Europe, and the trust demonstrated consistently by investors from global financial markets is testimony to our outstanding competence. Thanks to the skills and potential of our team we add measurable value to every investment and minimize transaction risk. This is demonstrated by our past performance.

Flexibility

Looking at our history one could say that EI has grown in step with the leading businesses and economies of Central and Eastern Europe, investing more and more capital in individual projects. But we are also very aware of the capital needs of the new generation of companies, and have raised our first venture capital fund in response to the capital needs of SMEs operating on the Polish market and in the wider CEE.

Corporate governance

Investors who trust us with their money know that we operate ethically and comply with local and international corporate governance requirements. Having pioneered the introduction of good business practices in companies, we pride ourselves on conducting highly transparent transactions and observing the highest business standards in all our dealings. This is of particular benefit to our investee partners, as it gives them the transparency and reputation that can help attract an industry investor or raise additional capital on the public markets. Moreover, the capital market regulators rank our portfolio companies very highly for their exemplary commitment to best practice in corporate governance.

Broad horizons

While Poland remains our prime area of investment activity, we are constantly seeking new opportunities created by the expanding economies of Central and Eastern Europe. We realize our regional investment strategy from our offices in Warsaw, Bucharest, Prague, Budapest and Bratislava.



Enterprise Investors

Our funds



Investment targets

The companies we invest in most readily are well-developed, profitable businesses with good cash flows. They have a strong competitive position thanks to their geographical location, patents and cost-effectiveness. For us as investors, what matters is that a company can demonstrate recent above-average growth in value that is forecast to continue after the investment. We also look for firms that have the potential to improve their financial results through planned restructuring. Critical, too, are the skills and competence of the existing managers, or their plans for strengthening the team with outstanding individuals.

Enterprise Investors is a tested partner when it comes to growing businesses. We cooperate effectively with both mature and smaller companies as we provide two distinct financing strategies – buyouts and expansion capital.

We encourage you to partner with us.

Private equity

Since 2006 Enterprise Investors has been investing the capital of Polish Enterprise Fund VI (PEF VI), which totals €658 million. This fund actively seeks mid-market buyout projects in attractive sectors in Central and Eastern Europe.

Entrepreneurs decide to partner with our fund when selling part of their company, or when taking it to the next level of development. The fund is keen to work with individuals who want to run their company and retain a controlling stake but need capital to expand, to open new outlets, build factories abroad, or take over competitors. We are also interested in partnering with entrepreneurs who have been active for a long time and want to diversify their assets by selling a majority stake, while retaining involvement in their business at board level.

In most cases PEF VI invests at least €30-€60 million in return for a majority stake or 100% of the company.

Venture capital

In 2008 we created our first venture fund, Enterprise Venture Fund I (EVF), with total capital of €100 million.

The fund finances the expansion of small and medium-sized enterprises operating in the technology sector as well as in traditional sectors in Central and Eastern European countries.

We are keen to work with companies that are active on the market, have a proven and successful business model and generate revenues and profits, at least at the operating profit level.

This fund invests between €1 million and €5 million to finance the expansion of companies in exchange for a minority stake.

Our team

Enterprise Investors has a team of 40 managing partners, partners, vice presidents, investment directors and analysts. Overall strategy and development goals are set by the firm's Board of Directors. EI's partners form the core of the investment team.



Robert Faris

Chairman of the Board of Directors, he co-founded the firm in 1990. Mr. Faris has worked in venture capital and private equity for 40 years, and was previously president of Alan Patricof Associates (now Apax), one of the largest private equity firms in the US and Western Europe. In 1999 he was awarded the Commander Cross of the Order of Merit by the President of Poland for his exceptional contribution to the development of the Polish economy.



Dariusz Prończuk

Managing Partner and Board Member. Mr. Prończuk specializes in the financial services, IT and construction materials sectors, and is responsible for our operations in the Czech Republic. He has completed 20 investments at EI, including those in Lukas, Comp Rzeszów (now Asseco), Magellan, Kruk and Skarbiec. Prior to joining EI, Mr. Prończuk worked in consulting and was vice president of the investment bank Hejka Michna.



Jacek Siwicki

President and Board Member. Mr. Siwicki manages the firm's operations and is responsible for implementing its strategy across the whole CEE region. He concentrates on the specialty retail, appliances and home finishing sectors. At EI he has led 20 direct investments, including those in W.Kruk, LPP and Zelmer. Mr. Siwicki previously worked in the IT industry and in consulting, and in 1991 served as Poland's deputy minister of privatization.



Michał Rusiecki

Managing Partner and Board Member. Mr. Rusiecki is responsible for investments in the food retail, FMCG, health-care and cleantech sectors. He oversees the firm's activities in Slovenia and Croatia. Mr. Rusiecki has completed 15 transactions, including those in Polfa Kutno, Polish Energy Partners, Harper Hygienics, DGS and Dino. Before moving into private equity, Mr. Rusiecki worked at the Polish Ministry of Privatization and at the University of Warsaw.



Robert Manz

Managing Partner and Board Member. Mr. Manz is responsible for our investments in the cable TV, telecom, pharmaceutical and FMCG sectors, and for the firm's strategy in Hungary and Slovakia. He has led 15 direct investments at EI, among others in Orange Slovakia, Nay and PharmaSwiss. Mr. Manz was the founding president of the Polish Private Equity Association and served as its president for 5 years during the first decade of PPEA's activities. He is also chairman of the Central and Eastern Europe Task Force of the European Private Equity and Venture Capital Association. Before joining EI he worked in the mergers and acquisitions division of Dillon Read & Co. in New York.



Rafał Bator

Partner and Board Member. Mr. Bator leads the venture capital team. He specializes in technology investments and his most important projects to date include AVG Technologies and the restructuring of AB and Teta. Before joining EI, he worked for Prokom Software Systems and Optimus, two of Poland's leading IT companies, as well as for Price Waterhouse.



Stanisław Knaflewski

Partner and Board Member. Mr. Knaflewski specializes in the pharmaceutical, construction materials and telecom sectors

and coordinates the firm's activities in Bulgaria. He led our investments in Bulgarian Telecom, Nomi and Nordglass. Before joining EI, he worked for The Boston Consulting Group in Paris and Warsaw, where he led projects in strategic consultancy and company restructuring.



Cristian Nacu

Partner. Cristian Nacu is the head of EI's representative office in Romania. Mr. Nacu's most important projects to date include our

investments in Macon, Siveco and Profi. Previously, he worked for International Finance Corporation, the investment arm of the World Bank. He also worked for the Romanian government, managing one of the largest privatization portfolios and completing 25 privatizations. Cristian Nacu is president of South Eastern Europe's Private Equity Association (SEEPEA).



Sebastian Król

Partner and Board Member. Mr. Król concentrates on the financial services, food retail and construction services sectors.

His most important investments at EI include those in Magellan, Skarbiec, Profi and X-Trade Brokers. Before joining EI, Mr. Król worked for Arthur Andersen and Hachette Distribution Services. He holds an ACCA qualification.



Jacek Woźniak

Partner and Board Member. Mr. Woźniak manages the firm's investments in the FMCG, food processing and furniture sectors.

His most important investments at EI include those in Sfinks, Agros Nova, Kruk and Kofola. Prior to joining EI, Jacek Woźniak was a consultant at the Warsaw office of Arthur Andersen and a director at Trinity Management, a fund management company in the Polish Mass Privatization Program.

We came, we invested, and toge

As a private equity investor we focus on increasing the value of our portfolio companies. How we go about this depends on the industry sector and the level of maturity of each company. What matters to us is not just the end goal but also how we get there. We are constantly refining our approach in line with changes taking place in the region's economies. While in the past we were able to increase the value of a company using fairly straightforward methods, we now apply more sophisticated tools that enable us to meet the demands of the global competition. We have built up sound experience from our past investments and continue to do so, for example by regularly developing relationships with the best managers and inviting them to join us on new projects. What is more, we have an insatiable appetite for further success.

On the following pages we outline our principal transaction types together with sample case studies.



ther we made money



Enterprise Investors

Buyout

Companies that want to keep up with dynamic developments on the market usually require external support: this can help them make the most of a strong market and enjoy the benefits of sector leadership. In many cases companies have insufficient resources and equity to finance exponential growth of organizational structures, technology, and human resources. Private equity funds specialize in taking advantage of the opportunities offered by the market.

In the case of buyout transactions, we acquire part of the business – usually a majority stake. Its founders often stay on as our partners in the company. Many entrepreneurs count on us to help them make a seamless transition to the next stage of their company's development, in particular by contributing to the strategy, helping expand the business, e.g. through mergers and acquisitions, and implementing sound financial practices. They also value our corporate governance and capital markets expertise.

When we invest in dynamic companies operating in fast-growth markets we are prepared to wait for the effects of our work longer than most other financial investors. For example, unlike our competitors, we often postpone paying out dividends.

We have completed buyout transactions in Kruk, LPP, Agros Nova, Zelmer, Nay and AVG Technologies.

Kruk

Kruk, the largest company now operating in the retail receivables market in Poland and Romania, was established in Wrocław by two young lawyers in 1998. The founders accurately identified demand for the outsourcing of retail debt collection in Poland's telecommunications, power, and banking sectors. The company developed very dynamically from the outset, but the entrepreneurs had insufficient capital and resources to keep up with the growth in the market. EI became interested in the company, and in 2003 our fund bought 70% of its shares. The founders retained the remaining stake and continue to play an active part in running the company as members of the management and supervisory boards.

A year later our fund made a follow-on investment in Kruk. This capital was spent on developing technology and organizational structures to keep up with the increasing customer numbers and the high volume of receivables being handled.

As shareholders, together with the senior managers we drew up a strategy for Kruk's further development. We jointly strengthened the management team and introduced new risk management and portfolio valuation procedures. Kruk developed its debt purchasing business and set up one of the first securitization funds on the market. In parallel, the company has also been expanding its presence on the receivables market in Romania, where it now leads.

In 2011, Kruk successfully debuted on the Warsaw exchange. Our fund sold part of its stake in the public offering, yielding a very attractive return on the investment.



Our contribution to Kruk's strategy has significantly strengthened the company's leadership position in this market.

Dariusz Prończuk, Enterprise Investors managing partner and chairman of Kruk's supervisory board

Expansion financing

Expansion capital is a form of financing that allows for the growth and expansion of a company. The capital may be used to finance the acquisition of a competitor or increase production capacity, to develop and market the product, or to provide additional working capital.

Enterprise Investors offers not just capital but also knowledge, experience and partnership in the process of making key business decisions. Unlike banks, we do not give loans but invest our capital directly, and thus share the risk of the investment with the entrepreneur. What sets us apart from industry buyers is that we are never in direct competition with the entrepreneur. When we invest in a business, we undertake to support the current owners and management board in realizing their company's development strategy. Unlike stock market investors, when reaching decisions we do not rely solely on the current state of the market, preferring to take the longer-term view.

Our funds have provided expansion financing to many successful firms in the CEE region, most notably W.Kruk, Sfinks, LPP and Macon. Our venture fund recently financed the development of Bio-Profil, R&C Union, PBKM and Webmedia.

Macon

Established in the 1960s and privatized in the 1990s, Macon is the leading construction materials producer in Romania.

Enterprise Investors decided to acquire 100% of Macon in 2006. We believed that combining Macon's good market position and growth prospects with EI's unique expertise in building value, corporate governance and management would strengthen Macon's position and help it become a market leader. Macon's financial results soon proved that assumption to be right. Thanks to effective cooperation with Enterprise Investors and especially following Macon's complex restructuring, its sales increased by 30% and net profit grew by 70% in just one year.

Macon's further development strategy demanded the acquisition of a competitor. We found Simcor Group to be the best choice, and EI provided equity financing to Macon to acquire a majority stake. The €53 million transaction secured a leading position for Macon on its market.



The acquisition of Simcor, which was partly financed with a capital increase provided to Macon by EI, secured a leading position for Macon on the Romanian building materials market.

Cristian Nacu,

EI partner, vice chairman
of Macon's supervisory board

Management buyout

Because no one knows a business better than its management team, measurable results are easier to achieve when a company's managers are also its shareholders. As a shareholder, Enterprise Investors is keen to maximize the manager-shareholder synergy to increase the value of each portfolio company. We achieve this by working closely with the management team when acquiring a stake in its business. This team carries out the intentions of the company's shareholders and also helps shape its strategies, objectives, and operating plans. What matters most in a management buyout is the motivation of the company's managers to meet not only the immediate strategic goals but also those spanning the next few years.

To help develop management buyout and buyin transactions, since 2004 Enterprise Investors has sponsored the MBI & MBO Club – an informal networking organization affiliating managers from Central and Eastern Europe who are interested in pursuing management buyouts or buyins.

We have completed management buyins in Skarbiec, Gamet and Artima, the last two thanks to contacts made at club meetings.

Skarbiec

Skarbiec is one of the oldest asset management companies in Poland. The company has secured a significant part of Poland's highly competitive investment funds market, which is dominated by fund managers tied to major banks. Skarbiec enjoys such a strong position thanks to its management team's creative approach to new product development, as well as to its sound management of funds entrusted by clients.

In 2007 our fund bought 100% of the shares of Skarbiec, completing the first takeover of an asset management company by a private equity fund in Central and Eastern Europe. Soon after the transaction we sold a 7% stake in Skarbiec to a group of 12 key managers, who also benefit from a management options scheme that we introduced.

Our decision to invest in Skarbiec was based on several factors. The experience and competence of the management team were fundamental, as was the favorable macroeconomic outlook that facilitated the rapid growth of mutual funds. These, together with our financial sector expertise, are helping raise the company's value.



The managers of Skarbiec have invested considerable resources of their own alongside us to purchase shares in their company, thereby demonstrating their confidence in the continuing growth of the business. For us as investors, this represents an additional guarantee of success.

Sebastian Król, EI partner,
member of the Skarbiec
supervisory board

Leveraged buyout

Many of the private companies established in Central and Eastern Europe in the early 1990s had the opportunity to develop rapidly. Their founders have built businesses that now represent significant value and hold leading positions on their markets. The private equity funds managed by Enterprise Investors are keen to invest in these types of companies because of their potential to develop further.

By selling 100% or close to 100% of their shares, the owners of these companies harvest their investment. They can do so for a variety of reasons – to find a successor before retiring, realize new business ideas, or devote their time to personal interests or charitable activities.

Buying such a significant stake in companies with a high market value requires a greater capital commitment. This is why we use bank debt to finance so-called leveraged buyout transactions. The use of bank debt creates the potential to generate higher returns for the buyer and can make the transaction more attractive for the seller.

We completed one of the first buyout transactions leveraged with bank debt in this part of Europe. Our track record in securing debt and building a financial structure for leveraged buyout transactions is unparalleled on the CEE private equity market. Our most significant leveraged buyout transactions to date include the acquisitions of Nomi, Komfort and Nordglass, and the purchase of controlling stakes in Harper Hygienics and DGS.

Nordglass

Nordglass is one of Europe's largest manufacturers of automotive windshields. In 2007 our fund acquired 100% of the company from its founders in an €83 million leveraged buyout.

Established in 1991 in Poland, the company operates two modern plants located near the Baltic coast that produce windshields for almost all models of passenger cars, trucks, buses and trains. Nordglass also has a nationwide windshield distribution and installation network. The firm has gained its unique position on the Polish and European markets thanks to the high quality of both its products and its customer service.

The management team that took over in 2007 has systematically implemented the company's growth strategy. As part of this approach Nordglass has established its own sales organization in the key markets of the European Union, including Germany, France and the United Kingdom. By dynamically increasing sales in its own fitment centers, Nordglass is helping raise professional standards across Poland's windshield replacement market. The company is servicing the bank loan used for this transaction in line with the repayment schedule.



Since our investment, Nordglass has increased revenues by more than 50%, mainly thanks to its expansion in the demanding markets of Western Europe. The company is gaining market share in EU countries at the expense of global players.

Stanisław Knaflewski, EI partner, chairman of Nordglass supervisory board



Enterprise Investors

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Our investments

El's investment policy reflects the changes taking place in Central and Eastern European economies. Our firm is focused on expansion in attractive sectors and the ones we know best: consumer goods, industry, financial services, telecommunications, media, IT, pharmaceuticals and healthcare. Our experience and professional competence in many of these sectors puts us almost on par with industry investors in terms of expertise.

At present our private equity funds hold stakes in the following companies:



Global provider of anti-virus software. Its programs currently protect more than 100 million computers worldwide. In 2005 our fund acquired 34% of the company's shares in a buyout transaction.



Polish chain of supermarkets expanding dynamically in the western part of the country. In 2010 our fund acquired 49% of shares in Dino to support the rapid growth of the chain.



Poland's largest manufacturer of decorative furniture accessories. In 2005 our fund acquired 100% of Gamet in an MBI.



Polish manufacturer of skincare-related cotton products sold under the Cleanic brand. Our fund has been investing in the company since 2004 and now owns a 77% stake. Harper Hygienics has been listed on the Warsaw Stock Exchange since 2010.



The company was formed through a merger of Kofola and Hoop, becoming one of the most significant producers of non-alcoholic beverages in Central and Eastern Europe. Kofola manufactures its products in factories located in Poland, the Czech Republic and Slovakia. Our fund acquired a stake in Kofola in a public tender offer on the WSE in 2008. We now control 43% of the company.



Poland's number one receivables management company and the market leader in Romania. Our fund acquired a stake in the company in 2003 in a combined buyout and capital increase. In 2011 Kruk debuted on the Warsaw Stock Exchange. We control 25% of the company following the IPO.



Leading construction materials producer in Romania. Our funds bought out Macon in 2006. In 2008 we provided equity financing that enabled the company to acquire a majority stake in Simcor Group and thereby strengthen its leading market position.



Non-banking financial institution specialized in servicing the healthcare sector, present in Poland, the Czech Republic and Slovakia. Our fund completed a capital increase in 2003 that helped the company broaden its product offer and continue its market expansion. In 2007 the company debuted on the Warsaw Stock Exchange. El continues to control 68% of Magellan following the IPO.



Nay operates Slovakia's largest network of stores selling white and brown goods. In 2005 our fund acquired a 48% stake in Nay from its founders.

* Companies listed on the Warsaw Stock Exchange



Netrisk.hu

The largest online insurance broker in Hungary, active also in Romania. In 2010 our fund acquired an 80% stake in Netrisk.hu.

NordGlass Nordglass

Szyby odporne na użycie

One of Europe's leading manufacturers of automotive windshields and the largest distributor in Poland. In 2007 our fund bought out 100% of the company in a leveraged buyout. We structured the transaction as an MBI, retaining and strengthening the existing management team.



Novaturas

The largest tour operator in the Baltic States. In 2007 our fund invested in Novaturas. We became the company's majority shareholder with a 71% stake following a debt and equity financed transaction.



Profi

One of the largest supermarket chains in Romania. Our private equity fund acquired the entire share capital of Profi Rom Food Group in an MBI deal in 2009.



Sklepy Komfort

wykładziny i podłogi

Poland's largest floor covering store network operating 160 stores in the country as well as in the Czech Republic and Slovakia. Our funds purchased 100% of the Komfort retail chain in 2007 in a leveraged buyout.



Siveco

Romania's largest software developer providing enterprise resource planning (ERP) solutions for companies, and software for public and local administrations. Our fund acquired Siveco's shares in 2005 in a combined capital increase and buyout transaction. Enterprise Investors owns 23% of Siveco.



Skarbiec Asset Management Holding

The holding comprises a mutual fund manager and a transfer agent, and is one of Poland's largest financial institutions. In 2006 our fund bought out 100% of Skarbiec.



STD Donivo

Slovak transportation services provider. In 2007 our fund acquired STD Slovakia and Donivo MKD, merged the two and became a 75% shareholder in the new company.



X-Trade Brokers

The largest brokerage house focused on forex, commodities, indices and CFD products in Central and Eastern Europe. In 2011 our fund acquired a significant minority stake in the company, which has begun to expand globally.



Zelmer*

The largest Polish manufacturer of small home appliances. Our fund acquired 49% of Zelmer in an IPO on the Warsaw Stock Exchange during the company's privatization in 2005 and in a subsequent tender offer.