



Enterprise Investors

Warsaw, January 2015

2014 – A Year of Record Returns

2014 has proven to be another successful year for Enterprise Investors. In particular, it brought a record-breaking exit that confirms the effectiveness of EI's approach to value creation in the CEE region.

During the summer EI exited its most successful investment to date, AVG Technologies. Over a period of nine years, through a series of M&As and organic growth initiatives supported by top industry experts, EI put this local Czech software producer on the path to global leadership, NYSE-listing and superior value appreciation.

In November EI successfully completed its 29th IPO on the Warsaw Stock Exchange – one of very few flotations to have taken place in recent months on the WSE.

In parallel, EI-managed funds continued to invest over the course of the year, bringing new companies into the portfolio and increasing commitments to existing investments. EI developed a number of new leads through proprietary deal sourcing. Two of those have already translated into new investments – Tahe Outdoors in Estonia and J.S. Hamilton in Poland. Others are well on track to close in the first half of 2015. At the same time, EI continued building the value of its existing portfolio, including new growth-enabling capital commitments as in the case of Wento.

We invite you to read the following summary of Enterprise Investors' achievements in 2014.

Investments

In March 2014 Enterprise Venture Fund I (EVF) invested EUR 3.4 million in **Take Outdoors**, the leading European watersports company. As a result of this expansion financing transaction, EVF holds 32.4% of the company's shares.

In May EI **completed a merger** of CDiTO, a company controlled by Polish Enterprise Fund VII, and Nu-Med, in which PEF VII held a minority stake. Both companies had been developing independent networks of radiotherapy clinics in Poland. The combined entity operates under the name **Nu-Med Group** and manages three radiotherapy centers – in Elbląg, Katowice and Tomaszów Mazowiecki. PEF VII holds 68% of the company's shares.

In November Polish Enterprise Fund VI committed a further EUR 30 million in **Wento**, a renewable energy company developing wind farms in Poland. The transaction brings PEF VI's total commitment to this company to EUR 70 million. The funds will be used to extend the total capacity of the projects in Wento's portfolio.

In December EVF announced it would invest EUR 8 million of expansion capital in **J.S. Hamilton Poland**, a leading provider of independent inspection and analytical services. The investment will give EVF 19% of the company's shares. Enterprise Investors will support the company in consolidating the testing, inspection and certification market across Central and Eastern Europe.

The total equity value of the transactions completed by our funds last year **amounted to EUR 41 million.**



Exits

In August Polish Enterprise Fund V sold its remaining stake in **AVG Technologies**, a leading global provider of security and efficiency software and online services, through a series of transactions on the New York Stock Exchange. During EI's investment period the market capitalization of AVG increased almost 12 times to USD 919 million, making this PEF V's most successful investment. AVG Technologies generated the highest exit multiple in the history of Enterprise Investors. **Total gross proceeds** from EI's investment in AVG Technologies **amounted to EUR 310 million.**

November was marked by the IPO of **Skarbiec Holding**, one of the leading independent asset managers in Poland. This was the 30th IPO from EI's portfolio and the firm's 29th on the Warsaw Stock Exchange. In the transaction PEF V sold 20% of the company, retaining a 75% stake and generating **gross proceeds of EUR 10.2 million**.

The total gross proceeds (including dividends) from investments exited in the past year by EI-managed funds **amounted to EUR 97 million**.

People

In September Enterprise Investors welcomed **Dariusz Pietrzak** as the company's new **vice president for investor relations and value creation**. Prior to joining EI, Dariusz was a chief strategy officer at LOT Polish Airlines and before that a group strategy manager at Qantas Airways. His past experience also includes leadership roles at The Boston Consulting Group and Heineken Group.

At the end of the year **Michał Kędzia** was promoted to **partner** at Enterprise Investors. Michał joined the company as an analyst in 2007 and became vice president in 2012, having previously been an associate with EY's M&A team in Warsaw. The investments Michał has been involved in at EI include Dino (Polish supermarket chain), X-Trade Brokers (brokerage house) and Nu-Med Group (oncology clinics).

Awards

We are proud to report that in November **Jacek Siwicki**, President of Enterprise Investors, received the Commander's Cross of the Order of Merit for his significant contribution to Poland's political and economic transformation. This award – Poland's second highest civilian honor – is made by the President of the Republic of Poland.

In 2014 Jacek Siwicki also received the highly regarded Lesław A. Paga Award, which is given annually to an entrepreneur, businessperson or politician in recognition of outstanding performance as well as highest ethical and professional standards.

Other Initiatives and Events

In 2014 EI continued to work with *Harvard Business Review Poland*, co-organizing a series of conferences for managers focused on the international M&A expansion of Polish companies. The meetings were held in seven major Polish cities and were attended by c. 450 entrepreneurs and managers. The series was extensively covered by the Polish edition of *Harvard Business Review* and by a dedicated online platform.

Over the course of the year EI co-organized a series of ten conferences for small and medium enterprises under the auspices of Confederation Lewiatan (Polish association of private employers). This project attracted more than 800 attendees. We plan to continue the initiative in 2015.

In 2014 EI also continued to co-organize rankings of the most dynamically developing companies in the Czech Republic (Štíky Českého byznysu), Hungary (Pegazus Díj), Romania (Campioni în Business) and Slovakia (Diamanty slovenského biznisu). These annual events recognize and award the growth leaders on their respective geographical markets.

Summary of Investments

Since its founding in 1990, Enterprise Investors raised eight funds with total capital exceeding EUR 2 billion. Until the end of 2014, the funds managed by Enterprise Investors invested EUR 1.6 billion in 133 companies across a range of industries. This figure includes EUR 1.1 billion invested in 114 companies in Poland and EUR 513 million in 19 companies in the CEE region. The funds managed by Enterprise Investors have exited 106 companies, achieving total gross proceeds of almost EUR 2.2 billion, of which EUR 701 million has been generated by investments outside of Poland. EI funds currently hold shares in 27 companies.

We would like to thank you for your support and we wish you every success in 2015.

Enterprise Investors

Emilii Plater 53, 00-113 Warsaw, Poland
tel. (+48 22) 458 85 00, fax (+48 22) 458 85 55

590 Madison Avenue II, New York, NY 10022, USA
tel. (+1 212) 521 4318, fax (+1 732) 572 89 80

www.ei.com.pl
info@ei.com.pl

This communication does not constitute an offer to sell or a solicitation of an offer to purchase any securities in any fund sponsored or advised by Enterprise Investors or its affiliates. The information provided herein has been supplied for informational purposes only and is not intended to be and does not constitute investment advice. Past performance is not indicative of future performance. Any references herein to “gross proceeds” or “proceeds” received in connection with an exit are not indicative of returns to investors in Enterprise Investors’ investment vehicles, and are gross of fees, expenses and carried interest to be paid to EI and its affiliates. Please contact Enterprise Investors for information on the performance of EI’s investment vehicles. A complete list of all investments by EI’s investment funds is available at: <http://www.ei.com.pl/en/private-equity/investments> and <http://www.ei.com.pl/en/venture-capital/fund-s-investments>.