



How do we create value?

With a soft touch...

We are what we keep repeating.

Perfection is therefore not an act, but a habit.

Aristotle

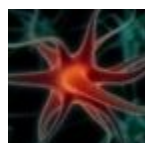
Anna Hejka

Heyka Capital Markets Group

PARTNER IN **GOOD**

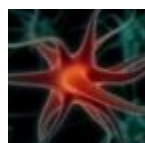
&

BAD TIMES



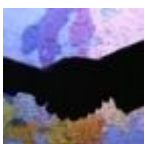
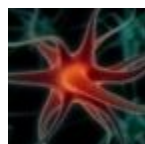
HCM Group Services

- Corporate Finance
- Restructuring (improvements in business model)
- Valuation
- Advisory Services
- Mergers, Acquisitions & Divestitures
- European Union funding
- Privatization
- Fund Management - Private Equity
 - Venture Capital
 - Buyouts



HCM Group Portfolio

<p>Movie Financing 'Maiden Voyages'</p> <p>by</p> <p>Accredited Investors</p> <p>2009 Poland</p>	<p>Working Capital Financing</p> <p>by</p> <p>2008 Poland</p>	<p>MBO PIK Mandatory Convertible Notes</p> <p>by</p> <p>2008 Poland</p>	<p>€43.4 mln Buyout of 80% Stake from ACTEBIS</p> <p>by</p> <p>MCI</p> <p>2007 Poland, Germany</p>	<p>€3.6 mln Buyout of 80% Stake from ACTEBIS</p> <p>by</p> <p>MCI</p> <p>2007 Czech R., Slovakia, Germany</p>	<p>PLN 76 083 000 Mezzanine Finance</p> <p>bullet bonds with warrants</p> <p>by</p> <p>BRE BANK SA</p> <p>2007 Poland, Czech R., Slovakia</p>	<p>PLN44mln Private Placement PIK Mandatory Convertible Notes with call & put options</p> <p>by</p> <p>Accredited Investors</p> <p>2007 Poland</p>	<p>Working Capital Financing</p> <p>by</p> <p>cfb handlowy</p> <p>2007 Poland</p>	<p>US\$4.5 mln Takeover</p> <p>by</p> <p>ONE2ONE</p> <p>2007 Czech Republic, Poland</p>
<p>Exit/Sale of Voting Shares to Emerging Market Fund</p> <p>by</p> <p>2001 USA</p>	<p>Exit/Sale of Entire Equity Stake</p> <p>by HCM & PIF to</p> <p>budimex</p> <p>1998 Poland, USA, Malaysia</p>	<p>Exit Sale of 99% Shares</p> <p>by</p> <p>Bank Kowalicki and its Associates</p> <p>1998 Poland, EU</p>	<p>Exit/Sale of PGP's Equity Stake</p> <p>to</p> <p>Institutional Investors</p> <p>1999 Poland, USA, Malaysia</p>	<p>Acquisition of 15% Equity Stake by HCM Group</p> <p>by</p> <p>2007 Poland</p>	<p>PIPE/Expansion Capital Acquisition of 10% Stake by Poland Growth Funds</p> <p>by</p> <p>1997 Poland, USA, Malaysia</p>	<p>Privatization to Acquire 70% Stake</p> <p>by</p> <p>HCM Group won highly competitive bidding process. Subsequently, HCM advised Bank Handlowy & Budimex to take consortium</p> <p>1997 Poland, USA, Malaysia</p>	<p>Brokerage Services Sale of Significant Minority Stakes to Global Institutions</p> <p>by</p> <p>1997 Poland, EU, USA</p>	<p>PIPE Acquisition of Minority Stake</p> <p>by</p> <p>Poland Growth Funds</p> <p>1996 Poland, USA, Malaysia</p>
<p>Initial Public Offering</p> <p>on</p> <p>WSE</p> <p>1996 Poland</p>	<p>Private Placement of 20% Shares</p> <p>to</p> <p>Accredited Investors</p> <p>1996 Ukraine, USA</p>	<p>Expansion Capital & Bridge Pre-IPO Financing</p> <p>Placement of 13% of Bank Komuny's equity ahead of its IPO on WSE in 1996</p> <p>1996 Poland, USA</p>	<p>Due Diligence & Preliminary Negotiations</p> <p>of potential joint venture for development of proven gas reserves in Southern Poland</p> <p>1995 USA, Poland</p>	<p>US\$41 mln</p> <p>Commitments from investors in US, Japan, Hong Kong, Australia, & Europe</p> <p>1995 USA, EU, Asia</p>	<p>Strategic Advice in Privatization & IPO</p> <p>by</p> <p>1995 Poland</p>	<p>US\$10 mln</p> <p>Contributions from US investors</p> <p>1995 USA</p>	<p>Exit Sale of 100% Shares</p> <p>of British, French & Polish unitholders to</p> <p>1994 Poland, EU</p>	<p>Structuring of First Phase of US\$70 mln Financing Package</p> <p>for a mixed-use real estate development in Warsaw</p> <p>1994 Poland</p>
<p>Acquisition of Exclusive Franchise</p> <p>for Poland, Czech R. & Slovakia from</p> <p>1994 USA</p>	<p>Privatization</p> <p>by</p> <p>1994 Poland</p>	<p>Seed & Start-up Capital</p> <p>Sale of voting shares HCM has remained strategic advisor to CJF</p> <p>1994 USA</p>	<p>Joint Venture</p> <p>with</p> <p>Nova Europa</p> <p>1993 Poland, Italy</p>	<p>Growth Capital Issue of new shares: sale of 25% equity stake in global markets</p> <p>HCM has remained a strategic advisor to Bank Komuny</p> <p>1992, 1993 Poland, USA</p>	<p>Bid & Capital Required for First Private National TV Network in Poland</p> <p>by</p> <p>1992 Poland, EU</p>	<p>Start-up & First-stage Financing Issue of New Units Sale of 30% Stake in Global Markets</p> <p>HCM has remained a strategic advisor to Roma</p> <p>1992 Poland, EU</p>		



HCM Group Value Drivers

➤ Increase in revenues

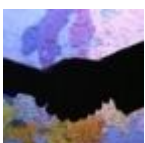
- Organic growth via effective incentive systems for sales people & option plans for key executives
- Expansion into new products, channels, customers, vendors & value-added services
- Wise expansion into new markets &/or segments
- Mergers, acquisitions/takeovers

➤ Increase in margins

- Concious selection/reduction of SKUs
- Cost reductions
- Financial engineering, management of banks
- Effective management of cash conversion cycle
- Acceptance of sunk costs

✓ Increase in return on capital

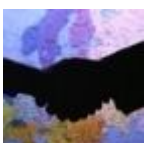
✓ Efficient management of shareholders' expectations



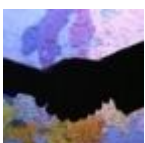
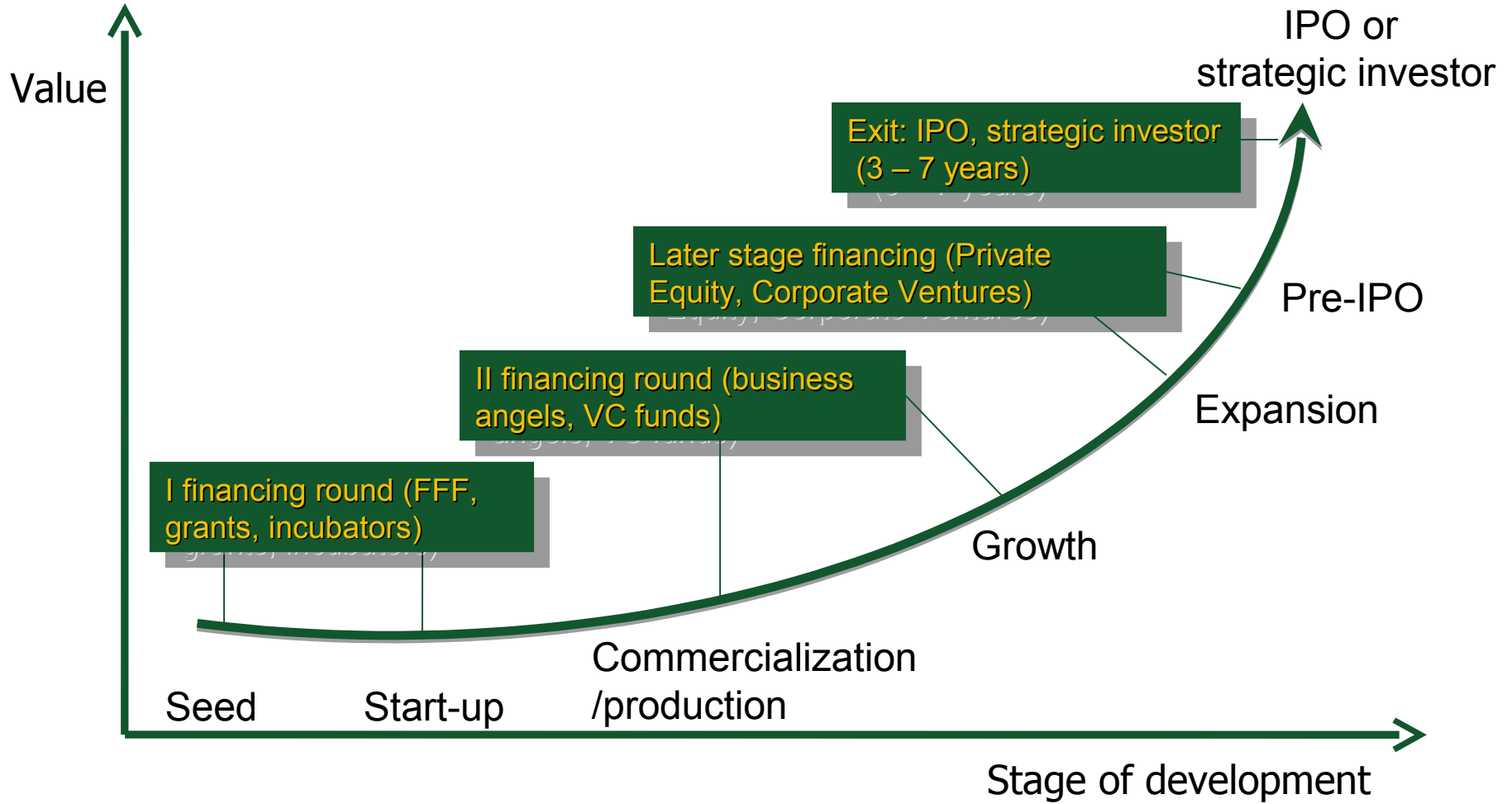
HCM Group Value Creation

Who leads doesn't have to manage (Jack Welch)
to fill the gap between vision & reality:

- Communicate directly & clearly
- Remember that carrot is better than stick
- Be objective & focus
- Prepare emergency plan to emergency plan
- Adjust quickly



Value Creation Process



HCM Group Value Creation

- ✓ Internal audit to refine & improve existing business model, restructuring
- ✓ Strategic planning & development, exit strategies for owners
- ✓ Budgeting, projections, valuation
- ✓ Financing: private & public (IPOs), equity, mezzanine, debt, guarantees
- ✓ Vision/personnel management/motivation: incentives, options
- ✓ Corporate governance, best practices & financial standards
- ✓ Marketing/communications/PR/Investor Relations, Networking
- ✓ Mergers, acquisitions, strategic alliances
- ✓ Monitoring & Mentoring

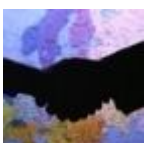


HCM Group Value Creation

Internal audit to refine & improve existing business model, restructuring



Daily challenges of managing a business leave very little time for an in-depth thought. Routine makes managers overlook real sources of their problems. HCM Group helps its portfolio companies to execute internal audit to make sure that our clients have answers to all difficult questions asked by potential investors or banks.



HCM Group Value Creation

Strategic Planning & Development

HCM Group helps its portfolio companies define & execute their true mission, proper objectives, value-added strategies & effective tactics starting from refining business models & ending up with growth, expansion & exit strategies.

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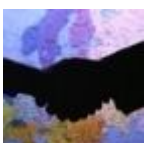
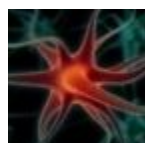
HCM Group Value Creation

Budgeting, projections, valuation



"HOWEVER, BY USING AN ALTERNATE METHOD OF ACCOUNTING..."

Central Europe has changed dramatically since we started our practice in 1991, yet we still keep finding many cases where managers are not aware of the possibility & the need to capitalize certain start-up expenses. Long-term investment expensed in the year of the cash outlay makes it difficult to see the real profitability of the business, to prepare projections & valuation of companies, which often are sold below their true value .



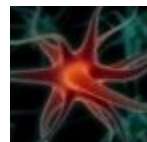
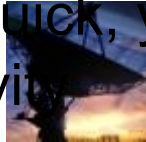
HCM Group Value Creation

HCM Group effectively structures transactions using financial products tailored to changing micro requirements & macro conditions + optimizes financial structure of its portfolio companies & provides them with access to:

- **further rounds of equity financing**
- **senior debt & mezzanine financing**
- **bank guarantees**
- **strategic alliances with global players**



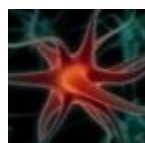
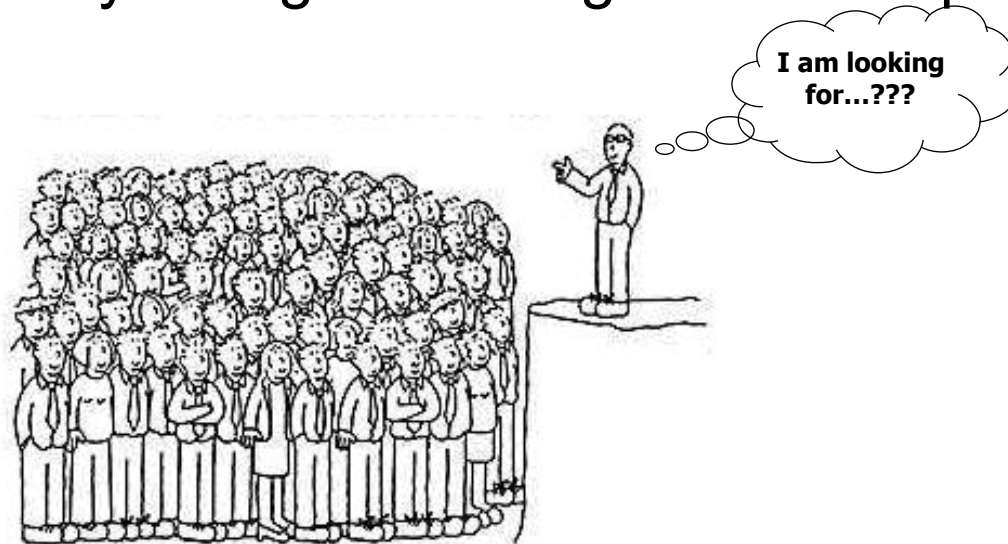
HCM Group stresses flexibility & quick, yet thoughtful action based on sensitivity analyses, emergency plans & value maps.



HCM Group Value Creation

Personnel Management/Corporate Governance

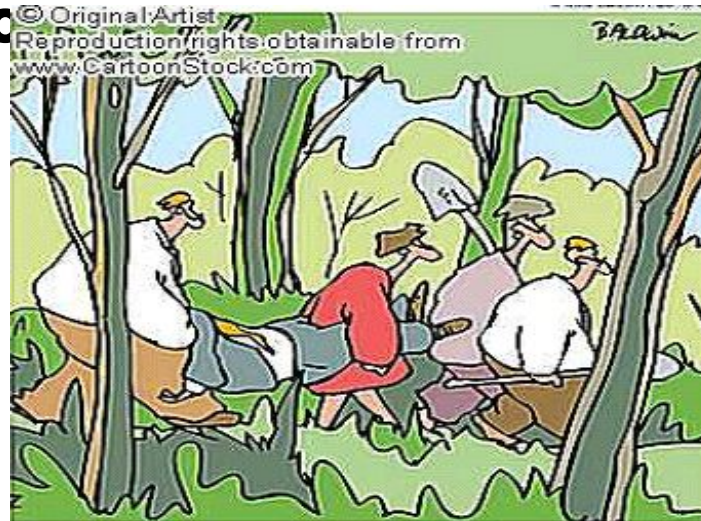
Key success factor of every venture lies in the quality of executive staff & good corporate governance. We pay special attention to management & human resources policy of our portfolio companies & actively support them in this area by sitting on management & supervisory boards.



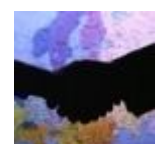
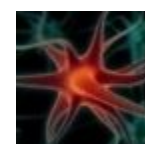
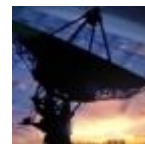
HCM Group Value Creation

Motivation & Vision

Undoubtedly the primary source of motivation for executives of HCM Group portfolio companies is ownership. Therefore, we also help develop **effective** motivational packages for key employees & create contagious **vision**



The advanced motivational exercise required killing the boss, burying the body and not ratting out your co-workers.



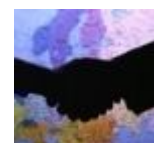
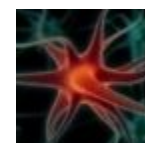
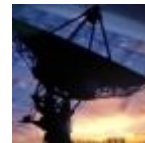
HCM Group Value Creation

Marketing/Communication/PR/IR

To support global marketing & communication of our portfolio companies, HCM Group organizes & participates with its portfolio companies in:

- relevant events: conferences, meetings, picnics, etc.
- contacts with Business Angels Programs, global VC funds, etc.

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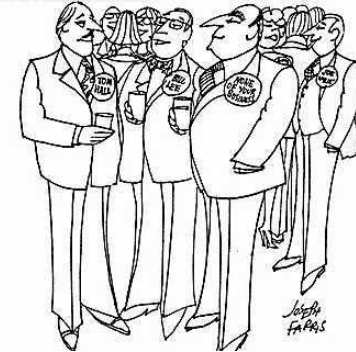


HCM Group Value Creation

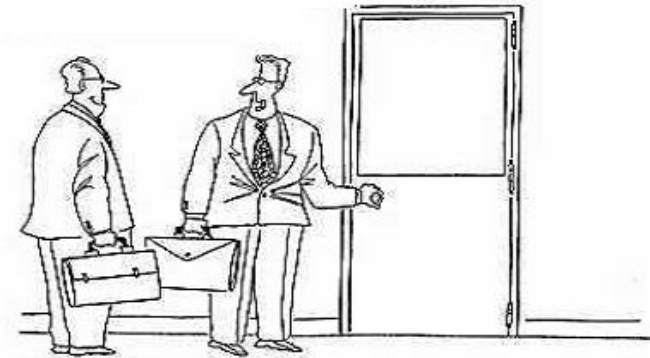
Networking & Cooperation

Business & personal relations of HCM Group support portfolio companies in meeting business partners, building strategic alliances, creating synergies & finding buyers or takeover targets in Europe & beyond.

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We help our portfolio companies in their negotiations with strategic partners of HCM Group, auditors, advisors, service providers & financial institutions to create special offers.



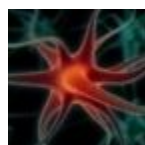
HCM Group Value Creation

Mergers, acquisitions, strategic alliances

In providing mergers, acquisitions & divestitures' assistance, the HCM Group's thorough knowledge of the players allows it to be highly effective in matching buyers & sellers. An extensive network of personal contacts with key economic & political decision makers as well as media provides HCM with invaluable information for investors seeking opportunities in Central Europe and CEE companies seeking expansion opportunities abroad.



"Mergers and takeovers and profits, oh my! Mergers and takeovers and profits, oh my! Mergers and . . ."



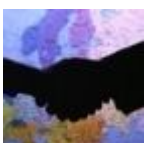
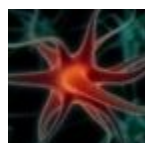
HCM Group Value Creation

Execution, Monitoring & Mentoring

HCM Group organizes regular meetings with management & owners of portfolio companies to enhance objectives & strategy realization.



It is not only questioning, but first of all constructive dialog & mentoring session.



HCM Group Value Creation

We lead & assist our portfolio companies in reaching their **dreams**

