

PRESS RELEASE

A good quarter for the IPOPEMA Securities Group

The IPOPEMA Securities Group has published its financial results for the first quarter of 2011. The parent undertaking generated a net profit of PLN 4.6m, up by 59% from the previous year. Consolidated net profit of the IPOPEMA Securities Group for the first quarter of the year, at PLN 6.1m, was by 70% higher than in the corresponding period of 2010. The Group's revenue totalled 26.3m, having grown by 27.8% compared with the first quarter of 2010.

Key financials of the IPOPEMA Securities Group¹:

Consolidated financial highlights (PLN '000)	Q1 2011	Q1 2010
Revenue from core activities	26,328	20,602
Costs of core activities	18,080	15,055
Profit on core activities	8,248	5,547
Operating profit	7,586	5,406
Pre-tax profit	7,569	4,434
Net profit	6,063	3,576

Discussion of results generated by the particular segments:

• **Securities trading**

In the first quarter of 2011, the Group's revenue from securities trading reached PLN 15.5m. Compared with the corresponding period of 2010, revenue from trading in securities increased by 30.7% (from a PLN 11.8m base), primarily owing to the recovery observed on the secondary market of the Warsaw Stock Exchange, as well as to the recognition of revenue from operations on the Budapest Stock Exchange for the entire quarter and revenue from trading in debt securities in this revenue item. *"Revenue from trading in equities was mainly driven by the improved conditions on the secondary market of the WSE and higher market activity in the area of public offerings,"* said Jacek Lewandowski, President of Management Board of the IPOPEMA Securities Group.

• **Investment banking**

In the first quarter of 2011, the IPOPEMA Securities Group's investment banking revenue amounted to PLN 2.5m, compared with 2.9m in the corresponding period of the previous year. Jacek Lewandowski said: *"Revenue for the first quarter of the year was similar to that recorded in the*

¹ Pursuant to Art. 58.1 of the Accountancy Act, IPOPEMA Business Services Kft., a member of the Group, was excluded from consolidation due to immateriality of its financial data.

first quarter of 2010. We expect, however, that the number of transactions we are currently working on as well as the currently witnessed growing interest in investment banking services from companies should contribute to this segment generating higher revenue in the following periods of the current year."

- **Investment fund management**

Compared with the first quarter of 2010, IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A. reported a 60% revenue increase, owing an increase in the number of funds and a higher value of the assets under their management (at the end of March 2011, IPOPEMA TFI managed 55 funds and subfunds with an aggregate assets value of 4.3bn, while as at the end of March 2010 there were 45 funds, managing an aggregate assets value of PLN 2.25bn. With 60% higher revenue and a limited increase in the total costs of operations, in Q1 2011 the segment generated a net profit of PLN 1.1m, nearly double the figure reported for Q1 2010. President of Management Board of the IPOPEMA Securities Group said: *"Next to consistently developing its brokerage business and investment banking services, over the forthcoming quarters it will be of paramount importance to the IPOPEMA Securities Group to increase the business scale in the area of asset management for institutional and corporate clients. In March this year, IPOPEMA Securities signed an agreement to purchase 100% shares in Credit Suisse Asset Management (Polska) SA. The transaction will be completed once the required authorisations have been obtained from the Polish Financial Supervision Authority and the Office of Competition and Consumer Protection."*

- **Advisory services**

IPOPEMA Business Consulting's consistent efforts to build a stronger order book brought results in the form of revenue from advisory services of PLN 3.2m in Q1 2011, up by 23.1% on Q1 2010 when the respective figure was PLN 2.6m. The company generated a net profit of PLN 0.4m, up by 65.7% from the first quarter of the previous year. *"Given the economic recovery that we are currently witnessing, we can expect a further improvement of the conditions in the advisory services segment."* In the forthcoming months of 2011, IPOPEMA Business Consulting's performance will be driven mainly by the execution of the current contracts, as well as further building of the order book," the President of the IPOPEMA Securities Group added.

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