

PRESS RELEASE

IPOPEMA Securities Group sees higher profit post Q1-Q3 2013

The IPOPEMA Securities Group has published its financial figures for the first three quarters of 2013, reporting revenue of PLN 74.5m, up nearly 18% from PLN 63.3m in the corresponding period of the previous year. In Q3 2013, the Group's consolidated net profit grew to PLN 1.7m, a threefold increase on the PLN 0.6m of Q3 2012.

Key financial data of the IPOPEMA Group¹ for Q3 and Q1-Q3 2013:

Consolidated financial highlights (PLN '000)	Q3		Q1-Q3	
	2013	2012	2013	2012
Revenue from core activities	22,955	18,644	74,507	63,333
Cost of core activities	20,208	16,853	64,306	53,642
Profit on core activities	2,747	1,791	10,201	9,691
Operating profit	2,091	1,559	7,822	8,653
Pre-tax profit	2,263	828	7,945	5,867
Net profit	1,724	561	6,085	5,424

Results of particular segments:

Securities trading

In Q1-Q3 2013, the IPOPEMA Group's revenue from securities trading totalled PLN 34.3m, a nearly 21% year-on-year growth.

"This was mainly due to high trading volume on the WSE in the period (trading volume on the equity market was nearly 16% higher than in the corresponding period of the previous year), and an increase in IPOPEMA's share in the trading volume on the secondary market – 9.3% in the period from January to September 2013, compared to 8% in the corresponding period of 2012. In the period from the beginning of the year to the end of October, IPOPEMA ranked second in terms of trading volume share on the WSE," said Jacek Lewandowski, IPOPEMA's CEO.

Investment banking

In the first three quarters of 2013, the IPOPEMA Group's revenue from investment banking grew by 16.3%, to PLN 5.7m (from PLN 4.9m in the same period of 2012). *"Most of the segment's revenue was earned in the first half of the year, which was mainly due to the profiles and schedules of the projects we implemented. We expect a rebound in investment banking – the upward trend on the market, combined with recent successful flotations, may result in company owners regaining interest in stock exchange*

¹ Pursuant to Art. 58.1 of the Polish Accountancy Act, IPOPEMA Business Services Kft. and IPOPEMA Outsourcing Sp. z o.o. have not been consolidated due to the immateriality of their financial data.

transactions. Potential issuers could come from both Poland and abroad," said Mariusz Piskorski, Vice-President of the Management Board in charge of corporate finance.

Investment fund management

In Q1-Q3 2013, the investment fund and portfolio management business, comprising IPOPEMA TFI and IPOPEMA Asset Management, also posted a considerable improvement in revenue of more than 27%, to PLN 25.3m. This was mainly due to a rise in the number of funds and the higher value of assets under management (as at the end of September 2013, IPOPEMA TFI managed 93 funds and subfunds with an aggregate asset value of PLN 12.5bn, compared with 76 funds with an aggregate asset value of PLN 7.4bn a year earlier). *"It is also important to note that the period Q1-Q3 2013 saw a significant increase in the value of assets of IPOPEMA TFI's actively managed funds, which as at the end of September 2013 had risen to PLN 600m,"* said Jacek Lewandowski. In the first three quarters of the year, the highest increase in assets – over PLN 100m – was reported by IPOPEMA Global Macro FIZ. IPOPEMA TFI has also entered into new distribution relationships: as of October, its open-end investment funds are available to the customers of Bank BGŻ and Bank Millennium. In October alone, IPOPEMA's open-end investment funds posted record-breaking net subscriptions, in excess of PLN 40m, from distribution relationships.

Consulting

In the first three quarters of 2013, IPOPEMA Business Consulting posted revenue of PLN 8.7m, while its net profit stood at PLN 1.5m, relative to PLN 1.2m in the corresponding period of 2012. *"In the next quarter, key drivers of IPOPEMA Business Consulting's operations will include continued execution of its existing contracts and new additions to the order book, with concurrent tight cost control,"* said Jacek Lewandowski.

Additional information:

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