

PRESS RELEASE

The IPOPEMA Securities Group posts PLN 12.8m in net profit for H1 2011

The IPOPEMA Securities Group has published its financial results for the first half of 2011. The Group's consolidated net profit for the first six months of the year, at PLN 12.8m, was 26% higher than in the corresponding period of 2010. The Group's revenue totalled PLN 55.1m, compared with PLN 50.2m in the first half of 2010. In the first six months of 2011, IPOPEMA Securities S.A., the Parent Undertaking, recorded a net profit of PLN 9.2m.

Key financials of the IPOPEMA Securities Group¹:

Consolidated financial highlights (PLN '000)	H1 2011	H1 2010
Revenue from core activities	55,097	50,245
Costs of core activities	38,384	34,972
Profit on core activities	16,713	15,273
Operating profit	16,241	14,024
Pre-tax profit	16,053	12,759
Net profit	12,767	10,112

Discussion of results generated by the particular segments:

- **Securities trading**

In the first half of 2011, the Group's revenue from securities trading reached PLN 29.8m. Compared with the corresponding period of 2010, revenue from trading in securities increased by 15% (from a PLN 25.7m base). *"The increase was chiefly attributable to the favourable conditions prevailing on the secondary market in the period under review, as well as the inclusion of revenue from trading in bonds"*, said Jacek Lewandowski, CEO of the IPOPEMA Securities Group. *"In addition to our strong position with respect to trading in shares on the Warsaw Stock Exchange, it is worth noting that we are expanding our presence on the Budapest Stock Exchange – as at the end of the first half of the year, in June, our market share reached an all-time high of 12.22%. Moreover, in the second half of 2011 we intend to enter the Czech market, which will complement IPOPEMA's offering in the CEE region,"* he added.

- **Investment banking**

In the first half of 2011, the IPOPEMA Securities Group's investment banking revenue amounted to PLN 7.04m, compared with PLN 9.8m in the corresponding period of the previous year. *"The Group's*

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.

revenue for the second quarter remained at a level comparable with the first quarter's figure, which resulted from changes in the transaction schedules – transactions planned for June were completed in July. In view of the current market conditions, we do not take a passive approach and wait for a recovery on the stock exchange. Instead we offer our clients alternative financing and transaction execution strategies,” added Jacek Lewandowski.

- **Investment fund management**

Compared with the first half of 2010, IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A. reported a 66% revenue increase, driven by an increase in the number of funds and a higher value of the assets under their management (at the end of June 2011, IPOPEMA TFI managed 55 funds and subfunds with an aggregate assets value of PLN 5.04bn, while as at the end of June 2010 there were 45 funds, managing an aggregate assets value of PLN 3.01bn). On the back of the higher revenue, in the first half of 2011 the segment generated a net profit of PLN 2.02m. *“In the second half of 2011, we intend to expand our operations in the area of asset management for institutional and corporate clients. We have already received the approval of the Office of Competition and Consumer Protection for the acquisition of Credit Suisse Asset Management (Polska) and now we only need the authorisation of the Polish Financial Supervision Authority before we can finalise the transaction. The acquisition of CSAM Polska will significantly increase the value of assets under our management and give us new capabilities that will allow us to expand our product mix and reach new clients,”* added Jacek Lewandowski.

- **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 7.4m in the first half of 2011, on a par with the corresponding period of 2010, when the respective figure was PLN 7.3m. The company generated a net profit of PLN 1.6m. *“In the first half of the year, the company strengthened its position and expanded its market share, while its revenues remained stable. Moreover, the company executed new long-term agreements. IBC's new accounts include mainly leading players in their respective business segments in Poland. In addition, new projects are in their final phase and their completion is scheduled for 2012,”* said Jacek Lewandowski.

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