

SHARE ISSUE PROSPECTUS



IPOPEMA Securities S.A.

THIS DOCUMENT IS OF A PROMOTIONAL NATURE ONLY. THE ONLY LEGALLY BINDING DOCUMENT CONTAINING INFORMATION ON IPOPEMA (THE „COMPANY“) AND ITS SHARES IS THE POLISH LANGUAGE PROSPECTUS APPROVED BY THE POLISH FINANCIAL SUPERVISION AUTHORITY ON 6TH MAY 2009. FOR THE INVESTORS' CONVENIENCE, THE COMPANY HAS ALSO PREPARED THE FOLLOWING ENGLISH TRANSLATION OF THE PROSPECTUS. IT SHOULD, HOWEVER, BE NOTED THAT THE POLISH LANGUAGE VERSION IS THE ONLY BINDING VERSION OF THE PROSPECTUS OF THE COMPANY AND ANY INVESTMENT DECISIONS SHOULD BE MADE SOLELY IN RELIANCE ON THE ORIGINAL POLISH VERSION OF THE PROSPECTUS. THE POLISH VERSION OF THE PROSPECTUS IS AVAILABLE ON THE WEBSITES OF THE COMPANY (www.ipopema.pl) AND THE WARSAW STOCK EXCHANGE (www.gpw.pl).

This Prospectus has been prepared in connection with the admission and introduction to trading on the Warsaw Stock Exchange of 7,000,000 Series A shares and 21,571,410 Series B shares

It should be noted that investment in the Company Shares involves certain risks inherent in such investments and typical of such financial instruments, as well as risks associated with the Company's business and the environment in which it operates. Detailed description of risk factors is contained in Section 3 of the Prospectus.

Before the Company Shares are introduced to trading on the WSE, the Company intends to offer its shares to selected investors in a private placement. As part of the private placement, Manchester Securities Corp. and certain other shareholders of the Company are to sell shares in an aggregate number representing 18.38% of all the existing shares in the Company. For further information regarding the private placement, see Section 28.3 of the Prospectus.

Offeror



IPOPEMA Securities S.A.

Date of approval of the Prospectus by the Polish Financial Supervision Authority: 6th May 2009

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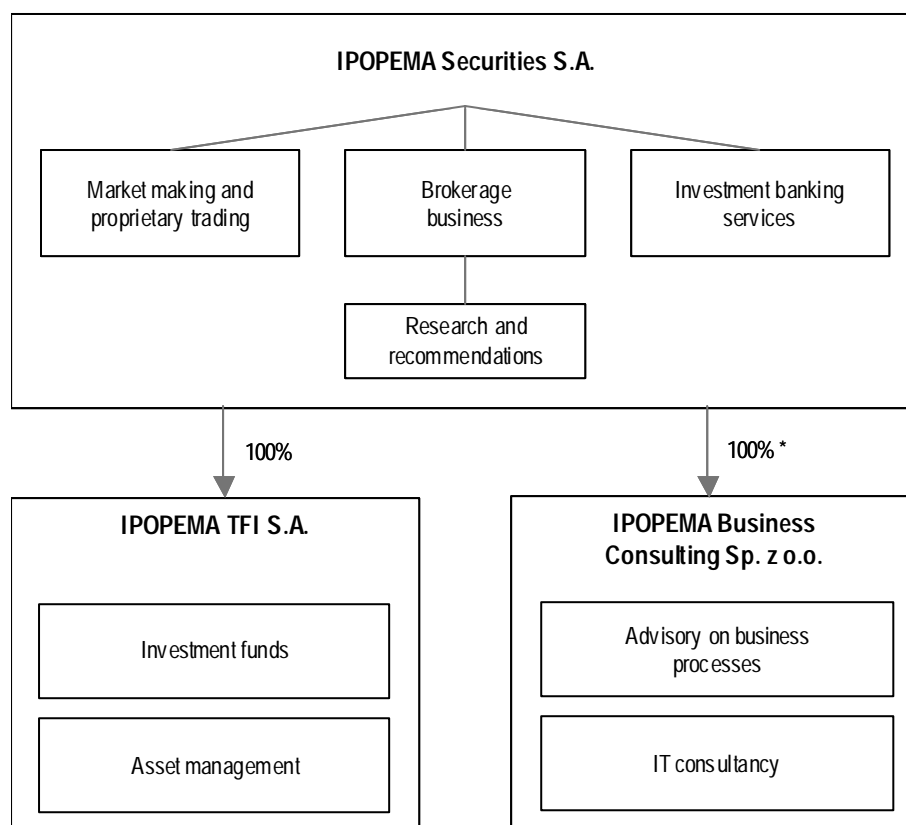
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2. SUMMARY OF THE PROSPECTUS

This summary should be read as an introduction to the Prospectus and as such it does not contain all the information of relevance to prospective investors. Prospective investors are therefore urged to carefully read the entire Prospectus and in particular its Section 3 describing risk factors associated with investing in the Shares. Any decision to invest in the Shares should be made taking into consideration the information contained in the Prospectus as a whole. Where a claim relating to the information contained in this Prospectus is brought by an investor, the claimant may be required to bear the costs of translating this Prospectus before the proceedings are initiated. No civil liability will attach to persons responsible for preparing this summary or any translation hereof or persons who applied for its notification, except to the extent it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus.

2.1 Introduction

IPOPEMA Securities S.A. is a dynamically growing financial institution, specialising in investment banking and brokerage services as well as equity research. The IPOPEMA Group also includes an investment fund company, IPOPEMA TFI (wholly-owned by IPOPEMA Securities), which currently focuses on creating and managing closed-end investment funds. In July 2008, the Group was expanded with IPOPEMA Business Consulting Sp. z o.o, in which IPOPEMA Securities holds a 100% equity interest as at the date of this Prospectus approval (the target size of the holding is to be 50% + 1 share). Since the beginning of 2009, IPOPEMA Business Consulting has operated in the area of business and IT consultancy.



**It is assumed that the Company's interest in the share capital of IPOPEMA Business Consulting Sp. z o.o. will be ultimately reduced to 50% plus 1 share (for more information see Section 12.5 of this Prospectus).*

The history of IPOPEMA's operations dates back to May 2003, when Dom Inwestycyjny IPOPEMA S.A. was created to provide advisory on the preparation and execution of capital market transactions. In pursuance of the strategy of providing comprehensive investment banking services, in June 2005 DI IPOPEMA established a subsidiary, Dom Maklerski IPOPEMA S.A., which concentrated on the services relating to the execution of public offerings. In the second half of 2006, DI IPOPEMA's operations were transferred to DM IPOPEMA, whose name was changed to IPOPEMA Securities S.A. Since October 2006, the range of services offered by the Company was broadened to include brokerage services on the secondary market of the Warsaw Stock Exchange and on foreign markets.

As part of its brokerage business IPOPEMA Securities provides comprehensive services for institutional clients in the area of intermediation in securities trading on the secondary market. The Company's partners are both high-profile international financial institutions and the majority of leading Polish institutional investors, including open-end pension funds, investment fund companies, asset managers and insurers. According to the Management Board's estimates, the Company ranks among the most active brokers on the WSE providing services to institutional clients.

Since the onset of its operations on the stock exchange market, IPOPEMA Securities has been reporting a steady growth of its share in trading on the WSE. In January 2007, it stood at 7.23% (sixth position on the market), to grow to 8.22% in December 2007 (fourth position), which translated into an annualised market share of 8.41% (fifth position). In 2008, the share of IPOPEMA Securities in trading on the WSE was 9.23%, placing the Company on the fourth position on the market. Following the launch of the Market Making and Proprietary Trading Department in February 2009, the Company embarked on investment activity involving proprietary trades on the WSE, and enhanced the range of its services for clients with services of a market maker, ensuring liquidity of trading in their shares on the WSE.

The Company's investment banking offering includes comprehensive assistance in the preparation and execution of transactions on the capital market, involving the use of equity instruments (shares), debt instruments (corporate bonds), and hybrid solutions (convertible bonds). In particular, the Company focuses on public offerings of securities (especially shares) – in which it acts as the coordinator, offeror and financial adviser, M&A deals and management buy-outs, as well as advisory on the raising of financing on the private market, including from private equity funds and through pre-IPO placements. In the period from May 2003 to the date of this Prospectus approval, IPOPEMA (initially as Dom Inwestycyjny IPOPEMA S.A., and then IPOPEMA Securities S.A.) took part in over 30 successful transactions, totalling in excess of PLN 2.3bn.

The brokerage and investment banking operations of IPOPEMA Securities are supported by a research team, which prepares analyst reports, recommendations, and comments on the issuers listed on the WSE (the largest ones but also the medium-sized and smaller companies). Currently IPOPEMA's Research Office is composed of seven analysts, who cover approx. 150 companies on an ongoing basis, including issuers from such sectors as banking, construction, property development, IT, retail, construction materials and food and drink industry.

IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A. focuses on the creation and management of closed-end investment funds. These are dedicated funds targeted at the high-net-worth and corporate client groups. Furthermore, in 2008 IPOPEMA TFI also established two active management funds. Other funds of this type, giving access to investments to a larger number of investors, are planned to be launched in the future. In addition, March 2009 saw the registration of the first open-end fund managed by IPOPEMA TFI, Alior Specjalistyczny Fundusz Inwestycyjny Otwarty, formed in cooperation with a newly established retail bank and addressed primarily to the bank's clients.

IPOPEMA Business Consulting, which commenced its operating activities in January 2009, is active chiefly in the field of consulting services concerning corporate strategies and operations, as well as IT consultancy.

Although the Company was registered on March 10th 2005, it commenced operations only on October 28th 2005 and until the end of 2005 generated no revenue, while incurring operating costs. It led to a net loss of PLN 43 thousand posted in 2005. In the subsequent periods, IPOPEMA Securities' revenue was as follows: PLN 10,385 thousand in 2006, PLN 80,877 thousand in 2007 and PLN 28,489 thousand in H1 2008. Profit on core activity was PLN 5,781 thousand in 2006, PLN 40,849 thousand in 2007, and PLN 13,010 thousand in H1 2008. The Company's net profit reached PLN 4,268 thousand in 2006, PLN 28,653 thousand in 2007 and PLN 8,371 thousand in the first six months of 2008. According to estimates, for the entire 2008, IPOPEMA Securities' total revenue was PLN 49,219 thousand, with operating profit of PLN 14,472 thousand and net profit of PLN 12,526 thousand. IPOPEMA TFI was established in March 2007, but because it was required to obtain a licence from the Polish Financial Supervision Authority to operate as an investment fund company, it did not commence its operations until September 2007. Consequently, total revenue generated by IPOPEMA TFI in 2007 amounted to PLN 246 thousand (including other operating income), while the company incurred the costs of organisation of its business as well as the costs of salaries and wages and lease of office space, which resulted in net loss of PLN 1,264 thousand. In H1 2008, IPOPEMA TFI's total revenue was PLN 1,706 thousand (including other operating income of PLN 1,119 thousand), with operating costs at PLN 1,908 thousand, which produced net loss of PLN 189 thousand for the period. For the entire 2008, IPOPEMA TFI's total revenue reached PLN 4,420 thousand, and the company posted net profit of PLN 261 thousand.

2.2 Strategy

In accordance with its development strategy, over the next two or three years IPOPEMA Securities should become a leading brokerage office in Poland in selected segments of brokerage business and investment banking services. The IPOPEMA Group's operations will focus primarily on services to institutional clients – both investors and companies – and high-net worth individuals who look for active advice on asset management or are significant shareholders of business organisations (including public companies). The development strategy of the IPOPEMA Group was prepared on the basis of strategies devised for each of its four main business areas – brokerage business, investment banking services, creation and management of investment funds, and business consultancy. The comprehensive range of services and substantial synergies within the Group will allow the Company and its subsidiaries to build and reinforce relationships with clients by offering a variety of products for each stage of business development. As part of its operations IPOPEMA seeks to leverage competitive advantages created by strategic cooperation with other organisations (such as Mergers Alliance and Alior Bank) and does not rule out entering into other alliances in the future, where justified by business benefits.

Development of the Brokerage Business

It is a strategic objective of the Company to consistently increase its market share and become one of the three most active brokerage offices on the WSE, as well as to foster its position of a broker of choice for institutional investors. The achievement of this objective should be facilitated by the experienced team, constant development of the product range, and reinforcement of the position of the Research Office on the market of providers of high-quality analyst reports.

The extensive market experience of the IPOPEMA Securities' brokerage team and the long-term relationships with investors make it possible to respond quickly and flexibly to the clients' expectations by adjusting the Company's offering accordingly. With a view to bringing its product range

in line with the expectations of its existing and future clients, in December 2007 the Company introduced a service enabling investors to enter into futures transactions on the WSE. The dynamically growing derivatives market is becoming increasingly popular with institutional investors, and the Management Board believes that addition of this service was indispensable in order to make IPOPEMA Securities' product offering really comprehensive. An incremental increase in the scale of clients' transactions executed with the intermediation of the Company (including transactions on the WSE) is expected after IPOPEMA Securities receives an authorisation to intermediate in transactions as a remote member of the stock exchanges in Budapest and Prague. The Company has already obtained the status of a remote member of the Hungarian stock exchange, and the operational activities on this market should begin in the first half of 2009. As regards the stock exchange in Prague, the process is less advanced because of the more hermetic nature of this market and existence of regulations which materially impede access of new financial intermediaries to the market. It is the Company's intention to obtain membership and launch operations on the Czech market by the end of 2009, but this is conditional on whether the regulations are amended and adapted to the EU standards in terms of competitiveness and access of new participants. Currently the Company uses the services of local brokers in order to offer its clients the possibility of executing transactions abroad, but if it obtains the remote member status it will be able to realise higher margins while offering competitive prices.

The Company also plans to develop its activities in the area of arbitrage trading in securities (shares and futures) for its own account. The Market Making and Proprietary Trading Department launched in February 2009 makes transactions on the most liquid instruments. In addition to other benefits, this also allows the Company to expand its offering for the companies conducting IPOs in cooperation with IPOPEMA Securities with services of a market maker, ensuring liquidity of trading in their shares after flotation on the WSE.

An important factor in the strengthening of the Company's position of a leading brokerage in Poland will be offering high-quality research products. It is assumed that the Research Office will provide regular coverage of 50 companies listed on the WSE and a few largest companies whose shares are traded on other stock exchanges in Central and Eastern Europe. Furthermore, the Research Office will continue to monitor and comment on the performance of a broad group of WSE-listed companies that are not covered regularly. A strong research team within IPOPEMA Securities is expected to improve the effectiveness of efforts designed to obtain flotation assignments. The Research Office will expand its product portfolio as it develops. Apart from supreme research reports and recommendations concerning companies already listed on the WSE, and comments on companies' periodic reports, the IPOPEMA Group's clients will also receive access to monthly publications discussing the market situation and macroeconomic data, and containing proposed model portfolios and investment strategies.

Development of the Investment Banking Business

IPOPEMA Securities intends to become one of the most active brokerage offices in the area of services related to capital market transactions, with a diversified revenue structure. A versatile product portfolio, enabling the Company to assist clients in public offerings, raising capital on the private market, as well as M&A transactions, will limit the impact of developments on stock exchanges on the revenue amount. It will also serve as a platform for further operational expansion.

Continued offering of the existing broad range of high-quality investment banking services is expected to facilitate progressive reinforcement of the Company's market position and growth in the number of executed transactions and their average value. The strong position of the Company's brokerage segment and high level of appreciation enjoyed by the recommendations and research reports issued by the Research Office should contribute to obtaining larger (in terms of value) IPO assignments. This will foster perception of IPOPEMA Securities as a broker of choice for transactions to the order of PLN 50-500m. The Company will also seek to act as Polish co-manager in large international offerings (over PLN 500m), including private companies' offerings and privatisation transactions.

With a view to diversifying revenue sources and executing more M&A deals, with a concurrent increase in the average value of the transactions, IPOPEMA strengthened its team dedicated to the handling of this type of assignments. The Company believes that this will allow it to exploit to a greater extent the potential created by its membership in Mergers Alliance, a group of independent advisory firms with a presence in 26 countries in Europe, Americas, Asia and Africa, specialising in advisory on international mergers and acquisitions. In particular, the Company intends to continue to focus on mergers and acquisitions, sale of companies to strategic investors and private equity funds (including dual-track transactions, which involve a simultaneous public offering and sale to a strategic investor/fund), and public-to-private deals.

The Company also plans to intensify its activities in the area of advisory on financial restructuring processes. Given the current trends in the economy and on the financial markets, and the deteriorating finance and liquidity position of companies, their interest in this type of services is growing. In this area the Company will cooperate with IPOPEMA Business Consulting, which provides services relating to operational restructuring of companies.

Development of the Investment Fund Management Services

It is a strategic goal of IPOPEMA TFI to gain a strong position on the market of creation and active management of investment funds for high-net-worth individuals and corporate clients. The operations in this area will focus on dedicated closed-end funds.

IPOPEMA TFI intends to develop its activities in the following areas of active investment management: private companies, investments on regulated markets (mainly shares and derivatives) in Poland and abroad, investments on the property market in Poland and other countries of Central and Eastern Europe. In addition, new securitisation funds are to be launched. IPOPEMA TFI delegates administration of securitised claims to a specialised external company.

As regards public market transactions, IPOPEMA TFI intends to use the recommendations and analyses prepared by brokerage offices (in particular IPOPEMA Securities). In the case of investments in private companies, the investment process may be supported by the analysts of the Capital Markets Department of IPOPEMA Securities.

Development of Business and IT Consulting Operations

IPOPEMA Business Consulting has assumed a strategic goal of securing a significant position on the consultancy services market. The company has started its operations in Poland, but in a short term it intends to obtain advisory assignments on the Central and Eastern European market. In 2009 (the first year of the company's operations), IPOPEMA BC has already established working relationships with the first clients. Apart from obtaining further contracts, the company also plans to enter into cooperation with a few large clients, as well as to look for partners among global players on the consultancy and IT markets for the purpose of completing projects together.

IPOPEMA Business Consulting intends to further develop its activities in the following areas: business consultancy on strategy and operational management as well as IT consultancy on IT strategy and organisation, IT project management, implementations and integration of business applications developed by leading software producers (such as SAP). IPOPEMA BC plans to assist its clients in the resolution of complex business issues in such fields as management of the supply chain, management of production, planning and optimisation of the use of companies' resources, optimisation of companies' support functions (such as finance, human resources and payroll, IT, procurement). IPOPEMA Business Consulting will also run projects designed to optimise the use of the existing potential of IT applications and the implementation and integration of new IT solutions. IPOPEMA BC intends to obtain the status of a licensed partner of the largest global producers of software for businesses.

2.3 Risk Factors

Before taking any investment decision involving the purchase of the Company shares, each investor should read and carefully analyse the risk factors related to investing in the Company shares, as well as carefully read the entire Prospectus. The risk factors presented in Section 3.1 relate to the Company but they equally apply to its subsidiary – IPOPEMA TFI.

The following risk factors may have a bearing on the Company's business, its financial standing and performance as well as the price of its Shares.

- Risk relating to the macroeconomic situation in Poland
- Risk relating to the situation on the capital markets
- Risk relating to competition in the services markets on which IPOPEMA operates
- Risk relating to changes in the law and other regulations relevant to the business of IPOPEMA. Risk relating to the Instability of the Legal System
- Risk relating to sanctions that may be imposed by the competent authorities
- Risk relating to fiscal regulations
- Risk relating to dependence on the management personnel, necessity to retain key employees, acquisition of highly qualified specialists and level of remuneration
- Risk relating to settlement of stock exchange transactions
- Risk relating to the nature of investment banking services
- Risk relating to the level of equity and the Company's financial needs
- Risk relating to investments in new business areas
- Risk relating to the business of IPOPEMA TFI
- Risk relating to the business of IPOPEMA Business Consulting
- Risk relating to the operations of the Market Making and Proprietary Trading Department
- Risk relating to the launch of operations on the stock exchanges in Budapest and Prague
- Currency risk
- Risk relating to the function of the payment bank
- Risk relating to the IT and telecommunications systems
- Risk relating to mistakes and errors of IPOPEMA's employees and breaches of law
- Risk relating to the shareholder structure
- Risk relating to the implementation of EU Directives on capital requirements for brokerage houses
- Risk that in the event of a breach of law the PFSA may issue an order withholding the seeking of admission of the securities to trading on a regulated market or proscribe the seeking of admission of the securities to trading on a regulated market
- Risk relating to refusal of or delay in admission and introduction of the shares to trading on a regulated market

- Risk relating to supply of the shares from the existing shareholders
- Risk relating to the liquidity and price of the shares
- Risk of dilution
- Risk relating to the suspension of listing or exclusion of the shares from stock-exchange trading
- Risk relating to non-performance or improper performance of obligations arising under applicable laws
- Risk relating to possible violation of law in connection with promotional activities.

2.4 Objectives of the Offering

This Prospectus does not form a basis for a public offering of the Company Shares. It has been prepared in connection with the admission and introduction of 7,000,000 Series A shares and 21,571,410 Series B shares to trading on the Warsaw Stock Exchange.

2.5 Dilution

The Company's shareholder structure is currently as follows:

	No. of shares	No. of votes at the GM	% of the total vote at the GM
Manchester Securities Corp.	8,571,420	8,571,420	30.00%
Mr Jacek Lewandowski	5,458,860	5,458,860	19.11%
IPOPEMA 10 FIZAN ¹⁾	2,851,420	2,851,420	9.98%
IPOPEMA PRE-IPO FIZAN ²⁾	2,851,120	2,851,120	9.98%
Ms Katarzyna Lewandowska	2,749,998	2,749,998	9.62%
MJM Inwestycje Piskorski S.k.a. ³⁾	1,285,713	1,285,713	4.50%
Futuro Capital Borys S.k.a. ⁴⁾	928,571	928,571	3.25%
Mr Stanisław Waczkowski	291,435	291,435	1.02%
Dominium Inwestycje Kryca S.k.a. ⁵⁾	285,714	285,714	1.00%
JL S.A. ⁶⁾	11,447	11,447	0.04%
Other ⁷⁾	3,285,712	3,285,712	11.50%
Total number of shares	28,571,410	28,571,410	100.00%

1) The only investor in IPOPEMA 10 FIZAN is Mr Stanisław Waczkowski.

2) The only investor in IPOPEMA PRE-IPO FIZAN is Mr Jacek Lewandowski.

3) A subsidiary undertaking of Mr Mariusz Piskorski.

4) A subsidiary undertaking of Mr Mirosław Borys.

5) A subsidiary undertaking of Mr Bogdan Kryca.

6) A subsidiary undertaking of Mr Jacek Lewandowski.

7) Present and former employees of the Company or their subsidiary or related undertakings.

The introduction of the Shares to stock-exchange trading will not cause any dilution of the shareholdings – no public offering of the Shares shall be carried out by the Company pursuant to this Prospectus, while the Private Placement, referred to in Section 28.3, covers only the existing Shares held by the existing shareholders. If all the Shares offered in the Private Placement are sold, the Company's shareholder structure as at the date of the introduction of the Shares to stock-exchange trading will be as follows:

	No. of shares	No. of votes at the GM	% of the total vote at the GM
Manchester Securities Corp.	3,714,280	3,714,280	13.00%
Mr Jacek Lewandowski	5,458,860	5,458,860	19.11%
IPOPEMA 10 FIZAN	2,851,420	2,851,420	9.98%
IPOPEMA PRE-IPO FIZAN	2,851,120	2,851,120	9.98%
Ms Katarzyna Lewandowska	2,749,998	2,749,998	9.62%
MJM Inwestycje Piskorski S.k.a.	1,285,713	1,285,713	4.50%
Futuro Capital Borys S.k.a.	928,571	928,571	3.25%
Mr Stanisław Waczkowski	291,435	291,435	1.02%
Dominium Inwestycje Kryca S.k.a.	285,714	285,714	1.00%
JL S.A.	11,447	11,447	0.04%
Other	2,892,855	2,892,855	10.12%
Investors acquiring the Shares in the Private Placement	5,249,997	5,249,997	18.38%
Total number of shares	28,571,410	28,571,410	100.00%

In future, i.e. following the introduction of the Company Shares to stock-exchange trading, the shareholdings may be diluted in connection with the Series C shares being issued under the Incentive Scheme (which is discussed, *inter alia*, in Section 19.2 of this Prospectus) or any potential increase in the Company's share capital under the authorised capital defined in the Articles of Association.

2.6 Summary of Financial Information

The presentation of selected financial information of IPOPEMA Securities S.A. was prepared based on the audited historical financial information for the financial years 2005, 2006 and 2007 and for the period January 1st–June 30th 2008, together with the comparable data for the period January 1st–June 30th 2007, as well as estimates for the financial year ending December 31st 2008. In addition, this section presents selected financial information on IPOPEMA TFI, a subsidiary undertaking of IPOPEMA Securities, for the financial years 2007 and 2008 (audited) and the period January 1st–June 30th 2008 (excerpted from the accounts of IPOPEMA TFI).

IPOPEMA Securities S.A. – Income Statement

(PLN '000)	2005	2006	2007	2008*	Jan–Jun 2007	Jan–Jun 2008
Total revenue	-	10,385	80,877	49,219	40,194	28,489
Revenue from securities trading	-	8,007	64,530	47,013	30,871	27,462
Revenue from investment banking services	-	2,378	16,347	2,206	9,323	1,027
Costs of brokerage activity	64	4,604	40,028	30,891	18,425	15,479
Transaction cost	-	1,621	14,663	8,949	6,995	4,765
Salaries and wages, and employee benefits	23	1,610	20,272	15,457	8,986	7,703
Expenditure on IT infrastructure	-	174	706	674	322	164
Lease of office space	7	196	569	570	279	276
Contracted services, taxes and charges	28	339	1,437	1,889	829	1,297
Depreciation and amortisation	-	74	871	1,349	396	581
Marketing	-	221	679	875	299	155
Other	6	369	831	1,128	319	538
Profit (loss) on core activity	-64	5,781	40,849	18,328	21,769	13,010
Gain (loss) on transactions in financial instruments held for trading	-	-107	-1,435	-2,483	-647	-2,341
Other operating income	-	-	17	177	3	22
Other operating expenses	-	12	117	299	67	20
Difference between provisions and impairment charges for receivables	-	-	-221	-1,251	-	-239
Operating profit (loss)	-64	5,662	39,093	14,472	21,058	10,432
Financial income	19	173	1,643	3,158	934	1,569
Financial expenses	-	535	5,181	1,780	3,393	1,346
Profit (loss) before extraordinary items	-45	5,300	35,555	15,850	18,599	10,655
Extraordinary gains	-	-	-	-	-	-
Pre-tax profit (loss)	-45	5,300	35,555	15,850	18,599	10,655
Corporate income tax	-2	1,032	6,902	3,324	4,446	2,284
Net profit (loss)	-43	4,268	28,653	12,526	14,153	8,371

*Estimated data, in accordance with Section 9.1 of this Prospectus

IPOPEMA Securities S.A. – Balance Sheet

ASSETS (PLN '000)	Dec 31 2005	Dec 31 2006	Dec 31 2007	Jun 30 2008
Cash and cash equivalents	663	8,476	32,112	34,771
Current receivables	4	241,810	263,936	264,006
From clients	-	147,055	131,151	114,642
From related undertakings	-	383	1,096	954
From brokerage offices, other brokerage houses and commodity brokerage houses	-	89,058	119,722	143,378
From the National Depository for Securities and exchange clearing houses	-	5,041	7,591	4,687
Taxes, subsidies and social security receivable	4	-	621	180
Other	-	273	3,755	165
Financial instruments held for trading	-	10	4,553	4,519
Equities	-	10	4,553	4,519
Debt securities	-	-	-	-
Investment certificates	-	-	-	-
Warrants	-	-	-	-
Other securities	-	-	-	-
Derivatives	-	-	-	-
Commodities	-	-	-	-
Other	-	-	-	-
Current prepayments and accrued income	-	16	652	642
Financial instruments held to maturity	-	-	-	-
Financial instruments available for sale	-	-	2,700	3,600
Non-current receivables	-	-	-	-
Non-current loans advanced	-	-	-	-
Intangible assets	-	727	615	1,032
Property, plant and equipment	-	1,285	1,280	1,254
Non-current prepayments and accrued income	2	53	1,227	233
TOTAL ASSETS	669	252,377	307,075	310,057

EQUITY AND LIABILITIES (PLN '000)	Dec 31 2005	Dec 31 2006	Dec 31 2007	Jun 30 2008
Current liabilities	2	237,912	258,012	267,111
To clients	-	87,831	122,063	138,526
To related undertakings	1	12	18	-
To brokerage offices and other brokerage houses	-	146,279	125,425	110,963
To entities operating regulated securities markets	-	-	-	506
To the Polish NDS	-	-	-	123
Loans and borrowings	-	2,017	7,571	4,667
Taxes, customs duties and social security payable	1	933	602	278
Other	-	840	2,333	12,048
Non-current liabilities	-	-	-	-
Accruals and deferred income	-	-	-	-
Provisions for liabilities	10	234	6,179	1,691
Subordinated liabilities	-	-	-	-
Equity	657	14,231	42,884	41,255
Share capital	700	2,857	2,857	2,857
Reserve funds	-	7,149	11,374	30,027
Retained earnings (deficit)	-	-43	-	-
Net profit (loss)	-43	4,268	28,653	8,371
TOTAL EQUITY AND LIABILITIES	669	252,377	307,075	310,057

IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A. – Income Statement

(PLN '000)	2007	2008	Jan–Jun 2008
Revenue	69	4,420	587
Costs of activities	1,686	4,009	1,908
Other operating income	180	-	1,119
Operating profit (loss)	-1,437	238	-202
Pre-tax profit	-1,412	256	-189
Net profit	-1,278	261	-189

IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A. – Balance Sheet

ASSETS (PLN '000)	Dec 31 2007	Dec 31 2008	Jun 30 2008
Non-current assets	209	326	243
Current assets	1,327	2,035	1,494
Inventories	-	-	6
Current receivables	314	953	1,225
Current investments	1,012	857	234
Current prepayments and accrued income	0	225	29
TOTAL ASSETS	1,536	2,361	1,737

EQUITY AND LIABILITIES (PLN '000)	Dec 31 2007	Dec 31 2008	Jun 30 2008
Equity	1,422	1,983	1,533
Share capital	2,700	3,000	3,000
Retained earnings (deficit)	-	-1,278	-1,278
Net profit (loss)	-1,278	261	-189
Liabilities and provisions for liabilities	114	377	205
TOTAL EQUITY AND LIABILITIES	1,536	2,361	1,737

2.7 Key Information on the Shares to Be Introduced to Trading**Private placement**

Concurrently with the process of admission and introduction of the Shares to trading on the WSE under this Prospectus, the Company intends to offer its shares to selected investors in a private placement (see Section 28.3). The private placement will not be conducted under this Prospectus.

Listing market

The Company will apply for the admission of all existing Company Shares to trading on the main market of the Warsaw Stock Exchange.

Dividend right

The Shares carry the right to dividend under uniform rules.

3. RISK FACTORS

Before making an investment decision concerning the purchase of the Company Shares, investors should familiarise themselves with and carefully analyse the risk factors listed below and involved in investing in the Company Shares. Investors should also thoroughly familiarise themselves with all the information contained in this Prospectus. The risk factors listed in Section 3.1 of this Prospectus relate to the IPOPEMA Group or its individual members (if so explicitly stated).

Risk factors may have an adverse effect on the business of the IPOPEMA Group and the financial standing and results of the IPOPEMA Group companies. The price of the Company Shares can fall due to any of the risks listed below materialising, or as a result of any other factors. In consequence, investors may lose all or part of their investment in the Shares. Below the Company presents a description of identified risk factors specific to the Company's business or its industry. Additionally, other risks – of which the Company is not aware at present – may have an adverse effect on the business, financial standing, results or development prospects of the Company and the IPOPEMA Group.

3.1 Risks Related to the IPOPEMA Group's Business and Its Operating Environment

Risk Relating to the Macroeconomic Situation in Poland

A favourable economic situation, the strong GDP growth and a rising level of investments combined with a low inflation rate and reduced interest rates are factors which have a major positive influence on the economic situation of Poles and financial performance of businesses. As a result, there has been a growing interest in investments, including investments in securities, and in M&A transactions; consequently, these changes create conditions conducive to the development of the Polish capital market. Conversely, a reduced rate of economic growth and rising inflation may cause a weakening in sentiment on the financial market; consequently, they may have an adverse effect on financial results of the market participants, including the IPOPEMA Group.

Given the current recession in the economies of the most developed countries, we may expect a considerable deceleration in the pace of economic growth in Poland as well. According to the most recent forecasts published by the National Bank of Poland, GDP is expected to grow 1.1% in 2009 and 2.2% in 2010; however, some economists claim that GDP will grow at an even slower rate in 2009. Currently, it is impossible to precisely determine how long the economic slowdown will last and what its effects on Poland's macroeconomic situation will be.

Risk Relating to the Situation on the Capital Markets

The Company's financial results are primarily dependent on capital market conditions, including in particular the situation in Poland. It should be noted that capital markets are inherently cyclical.

The current global economic slowdown is causing a slump on global stock exchanges. The main indexes of the WSE and other bourses across the world have been retreating since H2 2007. In the last months, this trend has been accompanied by lower trading volumes and fewer initial public offerings. The downturn in the capital markets has also affected the Company's revenue as a result of lower monthly turnover figures and postponed IPOs which were in the preparation stage. But it should be noted that an increased share in the trading volume, relative to 2007, helped mitigate the negative impact of the poorer market conditions on the Company's revenue. It is possible that if the downward trend continues for a longer period, the activity of investors on the secondary market of the WSE will continue at levels similar to those seen in 2008 (which were notably lower compared with 2007); additionally, due to relatively low prices and highly selective demand, the situation on the IPO market may not improve, either. Continued negative sentiment on the WSE in a long term may have an adverse effect on the Company's financial performance.

With respect to IPOPEMA TFI, less favourable conditions on the capital markets affect interest in investing in listed securities (mainly equities) and thereby reduce revenues on active management services. To date, this factor has had a limited impact on the results achieved by IPOPEMA TFI as its activities consisted mainly in creating closed-end private equity funds. However, since the company is expanding its active management services, continued downturn may lead to lower revenues and earnings of IPOPEMA TFI.

Risk Relating to Competition in the Services Markets on which IPOPEMA Operates

In recent years, many new companies have entered the market on which the Company operates. In addition to brokerage houses already present on the market for several years, which have successfully established a strong foothold on the capital markets in Poland, some small brokerage houses have appeared and provide brokerage and advisory services on a limited scale. They are created by individuals with relevant professional experience who can guarantee a standard of service similar to that offered by Poland's leading brokers. Furthermore, the recent significant growth of the Polish capital markets has translated into an increased interest in brokerage and advisory services from foreign financial institutions, including services of intermediation in trading in securities provided by remote members of the WSE. The growing competition may result in the Company losing part of its market share and in increased downward pressures on prices of the offered services, which may ultimately have an adverse effect on the Company's financial standing.

By analogy, IPOPEMA TFI and IPOPEMA Business Consulting compete against companies with established market positions and new market entrants. In less than two years of its operations, IPOPEMA TFI has become one of the most active participants of the Polish market in establishing closed-end investment funds; in addition to establishing new closed-end investment funds, the company's development plans include expansion into the segment of actively managed funds. As far as IPOPEMA Business Consulting is concerned, it launched its activities only at the

beginning of 2009. There can be no assurance that measures taken by competitors will not stand in the way of the development plans of both IPOPEMA TFI and IPOPEMA Business Consulting; if so, this may have an adverse effect on the future results of the IPOPEMA Group as a whole.

Risk Relating to Changes in the Law and Other Regulations Relevant to the Business of IPOPEMA. Risk related to the Instability of the Legal System

Since the beginning of economic transformation in Poland, an unstable legal system has been one of the key factors increasing the risk associated with business activities conducted in the country. The lack of uniform law, frequent changes to legislation and internally inconsistent legal norms often lead to economic uncertainty. This risk is particularly relevant in the context of the financial services markets. Poland's accession to the European Union and the subsequent obligation to implement EU regulations in Poland's unstable and imprecise legal system further added to entrepreneurs' problems in complying with the law (e.g. companies face sanctions for an incorrect interpretation of the law). It is possible that due to the changes which are underway to modify the rules for providing brokerage services, uncertainty as to the scope of these changes may have an adverse effect on the financial performance of IPOPEMA.

Risk Relating to Sanctions that May Be Imposed by the Competent Authorities

IPOPEMA Securities and IPOPEMA TFI are regulated by the Polish Financial Supervision Authority and their business activities are subject to constant supervision by the PFSA. Therefore, both companies are exposed to the risk of sanctions provided for in the law (including withdrawal of the authorisation to conduct their activities and imposition of monetary sanctions) if the PFSA finds that the laws and regulations defining business activities of brokerage houses or investment fund companies have not been complied with.

Risk Relating to Fiscal Regulations

Frequent amendments, inconsistency and a lack of uniform interpretation of the fiscal law create a potential risk of inappropriate classification of actions taken by the Company and other entities from the IPOPEMA Group. These factors, combined with a relatively long prescription period for tax liabilities and the immediate enforceability of decisions issued by tax authorities may have an adverse effect on the business, financial performance and standing of the IPOPEMA Group.

Risk Relating to Dependence on the Management Personnel, Necessity to Retain Key Employees, Acquisition of Highly Qualified Specialists and Level of Remuneration

The business of the IPOPEMA Group and its development prospects depend to a large extent on the knowledge, experience and qualifications of the management personnel. Their work for the IPOPEMA Group has been instrumental to its successes to date. Hence, if any of the members of IPOPEMA's management personnel leaves the company, this may have an adverse effect on the business and financial standing of the Company and its subsidiaries, as well as on their financial performance and development prospects.

Furthermore, in order to deliver an adequate quality of service, the Company must retain highly qualified staff. The nature of the Company's business requires part of the Company's employees to have relevant experience and to comply with formal requirements for the provision of brokerage or investment advisory services. Besides, to ensure continued development of the Company, it is necessary to hire new employees with relevant competencies and experience.

Given the increasing competition in the market on the one hand and a limited supply of persons having qualifications which will guarantee a specific level of service quality on the other, with a view to ensuring stability of the key staff, IPOPEMA seeks to develop appropriate incentive mechanisms to motivate employees to build their future with the IPOPEMA Group. One of the measures in this area is the Incentive Scheme currently underway and the applied remuneration system for employees and their participation in the share capital of the IPOPEMA Group companies. However, fulfilment of these plans requires increased expenditure on employee remuneration, which, due to a considerable share of salaries and wages in the operating cost structure, may have an adverse effect on the financial results of the IPOPEMA Group in the future. In 2008, salaries and wages accounted for 50% of total operating costs of IPOPEMA Securities.

Risk Relating to Settlement of Stock Exchange Transactions

The Company is a clearing member of the Polish NDS, which means that on the settlement date it is required to pay for executed buy transactions or deliver securities in order to settle executed sell transactions. The Company executes transactions for clients (holding accounts at custodian banks), who should furnish cash on account of executed buy transactions or deliver securities under buy transactions on the settlement date. However, there is a risk that a client may fail to provide cash or securities on time. In such a case, until the client has settled relevant liabilities, the Company must settle transactions using its own resources (buy transactions) or deliver securities acquired on the market (sale transactions). Additionally, there is also a risk that in the event of failure by the client to pay for a buy transaction, the Company may have to acquire securities which can be sold on less favourable terms or which cannot be sold at all. In the case of sale transactions, there is a risk that the Company may be required to acquire securities on the market at a price higher than the price at which the client was supposed to deliver such securities or that it will be impossible to acquire such securities. In such a case, the Company's right to assert claims from the client on account of the failure to perform under the agreement (order) concerning a transaction on securities may not be prejudiced.

Risk Relating to the Nature of Investment Banking Services

Services provided by the Company in the area of investment banking, in particular advisory services to companies applying for introduction of their shares to trading on the WSE and M&A transactions, are characterised by relatively long execution periods (typically not less than several months). Given the volatile nature of capital markets and changes in decisions by the Company's clients as to their investment plans, there is a risk that part of the projects commenced by the Company for such clients may be postponed or they may decide to terminate work on introducing their shares to trading (in particular when faced with adverse market conditions). Given that a substantial part of the Company's consideration in projects of this type is represented by success fees, such decisions may have an adverse effect on the Company's financial performance.

Risk Relating to the Level of Equity and the Company's Financial Needs

As at December 31st 2007, the Company's equity was PLN 42,884 thousand (PLN 41,255 thousand as at June 30th 2008). Despite a considerable increase in shareholders' equity, the Company uses debt financing. Under the effective laws and regulations, the Company's total debt may not be higher than four times the Supervisory Capital Level. In connection with its activity on the secondary market, the Company is obliged to secure sufficient contributions to the Guarantee Fund upon the closing of each session day. Currently, each day the Company makes a contribution to the Fund using a credit facility (see Section 8.3). There is a risk that the level of shareholders' equity (and, thereby, the Supervisory Capital Level) and the available debt financing will limit the turnover potentially achievable by the Company. To date, the Company has not encountered any problems in making sufficient contributions to the Guarantee Fund, while the present level of the available credit facility ensures safe continuation of business at the current level or even a substantial increase of the business. There can be no assurance that Kredyt Bank will extend the term of the credit facility agreement. If this is the case, the Company will finance its activities using internally-generated funds; additionally, it will also take steps with a view to obtaining financing from another bank.

It should be also noted that if the Company's clients fail to settle transactions concluded at their order in a timely manner, the Company may be required to execute such transactions using its own funds.

Given the scope and scale of conducted business and the generated results, the current level of the Company's shareholders' equity is sufficient. However, it is possible that business projects currently underway or planned in future may require a higher level of equity. If the equity base needs to be increased, the Company may have to increase the share capital through an issue of new shares.

Please note that in the case of any events with an adverse effect on the Company's financial performance and the resulting losses, the level of shareholders' equity may be reduced, which may also limit the Company's ability to use debt financing and force the Company to scale down its business.

Risk Relating to Investments in New Business Areas

In addition to the core business of the Company, since its inception the shareholders' objective has been to achieve stable, organic growth in its business areas. To this end, the Company has consistently expanded the range of offered services and decided to establish IPOPEMA Towarzystwa Funduszy Inwestycyjnych S.A. in 2007. Furthermore, in July 2008, the Company created IPOPEMA Business Consulting, which started to offer business advisory services at the beginning of 2009. Q1 2009 saw the launch of the Market Making and Proprietary Trading Department. The Company also intends to start operations on stock exchanges in Budapest (H1 2009) and Prague (by the end of 2009) on a remote-member basis. In future, the Company will continue to consider investment opportunities in new areas. Accomplishment of development plans may require the Company to incur substantial expenditure, which may affect its financial performance. Additionally, there can be no assurance that the Company's investments will yield expected economic results.

Risk Relating to the Business of IPOPEMA TFI

Given the rising competition on the market of investment funds and the relationship between individual funds' performance and the economic situation, including in particular the situation on the capital markets, and the correctness of investment decisions made by managers of IPOPEMA TFI funds, there is a risk that the funds may not yield the expected rate of return (or, in an extreme case, they may incur losses) or that clients will lose confidence in fund managers, which may eventually lead to some clients closing their relationship with the funds managed by IPOPEMA TFI. Due to these factors and the fact that in the case of selected funds IPOPEMA TFI's consideration depends on the funds' results and performance against the agreed benchmarks, the risk that the fund managers will not meet the targets and that the clients will discontinue their relationship with IPOPEMA TFI, may lead to IPOPEMA TFI not generating revenue as planned.

Furthermore, while thus far the number of funds managed by IPOPEMA TFI has been growing dynamically, there can be no assurance that IPOPEMA TFI will be able to maintain its existing client base and acquire new clients in future, which may have an adverse effect on revenue growth. Furthermore, in May 2008, IPOPEMA TFI and Alior Bank executed an agreement on creating and managing an open-end umbrella investment fund (launched in March 2009). However, there can be no assurance that – if the bank fails to acquire clients for the fund or if IPOPEMA TFI does not achieve adequate returns – the revenues derived from the cooperation will be satisfactory.

Growth of IPOPEMA TFI's business also depends on obtaining relevant administrative permits (including in particular authorisations to create new funds) and on the direction of possible changes in the law regulating the business activities of investment funds and taxation rules applicable to investment funds and their participants.

Regardless of the foregoing, it should be noted that the operating activities of IPOPEMA TFI require a professional and highly motivated staff having the necessary specialist knowledge and competencies in a still narrow segment of the financial market. Therefore, there is a risk that if the number of investment fund companies increases significantly, competition in retaining qualified staff of investment fund companies may increase, which may have an adverse effect on the financial performance of IPOPEMA TFI; this may also increase the operating risk.

Risk Relating to the Business of IPOPEMA Business Consulting

IPOPEMA Business Consulting was established in August 2008, with the share capital of PLN 3,000 thousand. IPOPEMA BC launched activities in January 2009 and has managed to execute a number of agreements with clients. However, it has not yet reached a break-even point; therefore, there can be no assurance that the company will acquire new clients or that starting cooperation with them will not be postponed (which can extend the period when IPOPEMA BC will continue to generate negative financial results). Consequently, there can be no assurance that due to longer than expected time for reaching a break-even point by IPOPEMA BC, the company will need a contribution of additional capital.

Risk Relating to the Operations of the Market Making and Proprietary Trading Department

The nature of the operations of the Market Making and Proprietary Trading Department, that is entering into short-term transactions on the stock-exchange market for the Company's own account, exposes the Company to investment risk. In particular, there can be no assurance that the decisions made by the Department's staff or the investment strategies they employ will be successful, and therefore those operations may bring unsatisfactory results or may even cause losses.

Risk Relating to the Launch of Operations on the Stock Exchanges in Budapest and Prague

In order to be able to offer a more comprehensive product range, the Company has obtained the status of a remote member of the stock exchange in Budapest and has made steps to obtain such a status on the stock exchange in Prague. It is the Company's goal to commence brokerage activity on the Hungarian market in the first half of 2009, and on the Czech market by the end of 2009. The Company believes that a more comprehensive offering will allow it to increase the volume of business from the existing clients. There is a risk involved in the beginning of operations on the Hungarian stock exchange, as well as the obtaining of the status of a remote member of the Czech stock exchange and launch of operations on that market, as the Company will need to comply with numerous requirements. There can be no assurance that the Company will actually commence operations on both markets or on any of them, or that it will be able to commence the operations when planned. It is also impossible to foresee the business effects of the launch of operations as a remote member of the stock exchanges in Budapest and in Prague or predict to what extent the Company's efforts to gain a tangible share in trading on both markets will be successful.

Currency Risk

The planned launch of operations on the stock exchanges in Budapest and in Prague will entail generating revenues and incurring costs in the local currencies (the Hungarian forints and Czech korunas, respectively). Consequently, exchange rate movements may have an adverse effect on the Company's consolidated results.

Risk Relating to the Function of the Payment Bank

It is a necessary condition for the beginning and maintenance of operations on the WSE by the Company (as well as other brokerage houses which are direct members of the WSE) that it has a valid agreement on Payment Bank services with a bank which is a member of the Polish NDS. The Company's Payment Bank is Kredyt Bank S.A. (with respect to trades made for IPOPEMA's clients as part of its brokerage business) and Alior Bank S.A. (with respect to proprietary trades made on the WSE). If an agreement on Payment Bank services was terminated, the Company would need to enter into a new agreement with another bank, which would take time and require agreeing on new terms of cooperation. Any difficulties in prompt commencement of cooperation with another bank could even pose a risk that the Company might have to temporarily suspend its brokerage activity or market making and proprietary trading activities on the WSE, as the case may be, until a new agreement is signed.

A similar risk is involved in the Company's relationship with the bank with which it signed an agreement on the Hungarian market in respect of trades to be made on the stock exchange in Budapest.

Risk Relating to the IT and Telecommunications Systems

A particularly sensitive area of the Company's activities is the necessity to ensure uninterrupted and secure operation of its IT and telecommunications systems. Any serious system failure may not only expose the Company to the risk of financial liability to clients for not executed or incorrectly executed orders, but may also undermine the client's confidence. In 2006, the Company purchased and implemented a dedicated IT system for providers of brokerage services, which has been upgraded and modified on a continual basis. The objective behind the purchase of the system and the ongoing steps taken by the Company in order to ensure the best possible security solutions for its IT and telecommunications infrastructure, is to mitigate the risk of adverse effects of possible failure of the IT systems, unauthorised access to the data collected on the servers used by the Company, or loss of such data. However, there can be no assurance that the risk does not materialise despite the actions taken by the Company.

Risk Relating to Mistakes and Errors of IPOPEMA's Employees and Breaches of Law

IPOPEMA's position on the markets on which it is present relies primarily on the degree of confidence reposed in the IPOPEMA Group and its employees by the clients. The nature and scope of the Group's services requires not only employees' expertise and experience but also compliance with the procedures in place at each company of the Group, which are designed to limit the risk of mistakes and errors in the Group's operations. Although each IPOPEMA's employee is obliged to know and apply the operational procedures in effect at a given company, there can be no assurance that no mistakes or errors occur in day-to-day operations. Any such errors or mistakes may, depending on their scale, affect the financial standing and financial performance of the IPOPEMA Group. Given the nature of the Company's operations, the risk of mistakes is particularly relevant to the staff operating directly on stock-exchange markets, namely the Secondary Market Department and the Market Making and Proprietary Trading Department of IPOPEMA Securities.

In line with the applicable laws, a company authorised to conduct brokerage activity is required to have a unit which exercises ongoing supervision over compliance of the employees who provide brokerage and investment advice services with legal regulations and internal rules of procedure (including the rules for the protection of inside information and the procedure for counteracting and identifying instances of manipulation). In the case of the Company this responsibility is performed by the Compliance Office. Although as at this Prospectus approval date there have been no instances of criminal or unethical conduct on part of the Company's employees, there can be no assurance that such events do not occur in the future. Any such occurrence may expose the Company to adverse administrative consequences from the competent authorities, including the Polish Financial Supervision Authority, and may lead to financial losses to the Company, resulting from the necessity to pay compensations and loss of reputation.

Risk Relating to the Shareholder Structure

As at this Prospectus approval date, Mr Jacek Lewandowski holds (directly or indirectly, through JL S.A., and as a sole shareholder of the IPOPEMA PRE-IPO FIZAN investment fund) in aggregate 29.13% of shares in the Company. The Company shares are also held by Mr Jacek Lewandowski's spouse, Katarzyna Lewandowska (9.62% of the share capital). Accordingly, Katarzyna and Jacek Lewandowski hold, directly and indirectly (through companies they control) 38.75% of the Company shares.

Pursuant to the provisions of the Company's Articles of Association (see Appendix 2 to this Prospectus), Mr Jacek Lewandowski has the right to appoint two members of the Supervisory Board as long as he holds, directly or indirectly (through companies he controls), shares conferring the right to 25% or more of the total vote at the Company's General Shareholders Meeting. If his holding in the Company is less than 25% but more than 5%, he will be authorised to appoint and remove one member of the Supervisory Board.

In view of the above, given the size of his current equity interest in the Company and the personal rights he holds under the Company's Articles of Association, Mr Jacek Lewandowski will continue to exercise significant influence over the Company's operations.

Risk Relating to the Implementation of EU Directives on Capital Requirements for Brokerage Houses

In connection with the requirement to implement Directive 2006/48/EC and Directive 2006/49/EC by the member states of the European Union, a legislative process is underway in Poland to implement the abovementioned Directives into Polish legal system. This necessitates adoption of amendments to the Act on Trading in Financial Instruments (which as at this Prospectus approval date has not come into force yet), and then implementation of secondary legislative acts. Their implementation will have an effect on how brokerage houses calculate their capital requirements, and thus on their capital needs, as well as the scope and form of reporting information to the competent authorities and the public. In particular, it is expected that the new regime under the abovementioned proposed legislation will result in increased capital requirements for brokerage houses, however, as the legislative process is still underway and the final shape of the regulations is uncertain, it is difficult to assess definitely how the proposed changes will affect the Company's operations.

3.2 Risk Factors Relating to Investment in the Shares

Risk that in the Event of a Breach of Law the PFSA May Issue an Order Withholding the Seeking of Admission of the Securities to Trading on a Regulated Market or Proscribe the Seeking of Admission of the Securities to Trading on a Regulated Market

Pursuant to Art. 17 of the Public Offering Act, if an issuer, a selling shareholder, or any other entity acting on behalf of, or on instructions from, an issuer or a selling shareholder, violates the law in connection with the seeking of admission of securities to trading on a regulated market in the Republic of Poland, or there is a reasonable suspicion that such violation has occurred or may occur, the PFSA may:

- (1) order that the seeking of admission of the securities to trading on a regulated market be withheld for a period of up to 10 business days,
- (2) proscribe the seeking of admission of the securities to trading on a regulated market,
- (3) publish, at the expense of the issuer or the selling shareholder, information concerning the illegal activities with respect to the seeking of admission of securities to trading on a regulated market.

The PFSA may apply the measures provided for in items 2 and 3 repeatedly.

Furthermore, the PFSA may apply the measures referred to in the abovementioned article of the Public Offering Act if the contents of documents or information submitted to the PFSA or made available to the public indicate that:

- (1) admission of the securities to trading on a regulated market would materially compromise investors' interests,
- (2) there exist circumstances which, in the light applicable laws, may result in termination of the issuer's legal existence,
- (3) activities of the issuer were, or are, conducted in gross violation of applicable laws, and the violation may materially affect assessment of the issuer's securities or, in the light of applicable laws, may result in termination of the issuer's legal existence or bankruptcy of the issuer.
- (4) the legal status of the securities does not comply with applicable laws and in the light of those laws there is a risk that the securities may be considered non-existent or having a legal defect that materially affects their assessment.

In addition, in the event that a supplement to this Prospectus needs to be prepared, the PFSA may refuse its approval, in accordance with Art. 51.4 of the Public Offering Act, if the supplement does not comply, in terms of the form or content, with the requirements defined in applicable laws. When refusing to approve a supplement, the PFSA orders that the seeking of admission of the securities to trading on a regulated market be withheld.

In the cases defined in Art.19a, the PFSA may, at the request of the issuer or selling shareholder or on an *ex officio* basis, repeal the decisions it has issued.

In addition, pursuant to Art. 20.1 of the Public Offering Act, where required due to the security of trading on a regulated market or where investors' interests are threatened, the WSE, at the request of the PFSA, withholds admission of securities or other financial instruments indicated by the PFSA to trading on that market or the beginning of trading in such securities or financial instruments, for a period of up to 10 days.

Risk Relating to Refusal of or Delay in Admission and Introduction of the Shares to Trading on a Regulated Market

Admission of the Shares to trading on an official stock-exchange listing market, in this case the main market operated by the WSE, requires satisfaction of a number of conditions laid down in the Minister of Finance's Regulation on Detailed Requirements for an Official Stock-Exchange Listing Market and Issuers of Securities Admitted to Trading on Such Market of October 14th 2005, in the WSE Rules, and in the regulations issued by the Polish NDS. The Company believes that it will successfully meet the requirements necessary to admit its Shares to trading on the main market, however this will partly depend on the results of the sale of the Shares as part of the private placement referred to in Section 28.3. This relates in particular to the dispersion of shares required under the abovementioned Regulation, which is defined by reference to the number of shares held by minority shareholders each of whom controls no more than 5% of the total vote at a company's general shareholders' meeting. As at this Prospectus approval date, such minority holdings add up to less than 22% of the total number of the Company shares, while the threshold which must be reached for the dispersion requirement to be met, as defined in the Regulation, is 25%. As the shares are to be offered through a private placement prior to their introduction to stock-exchange trading, the Management Board is of the opinion that the conditions for admission to trading on the main market should be satisfied. However, if despite the Management Board's efforts, introduction of the shares to trading on the main market proves impossible (which may be caused by the shareholder structure described above, as well as by the restriction on trading in the shares by the existing shareholders under concluded lock-up agreements, referred to in Section 29), the Company shares will be introduced to trading on the parallel market.

The process of admission of the shares to stock-exchange trading will be also influenced by the registration procedure at the Polish NDS, which is required for the WSE Management Board to approve the admission. The Company intends to file a relevant application with the Polish NDS promptly after this Prospectus is approved, however, the length of the share registration process and possible impediments relating to it may directly result in delays in the admission process.

Risk Relating to Supply of the Shares from the Existing Shareholders

As stated in further parts of this Prospectus, majority of the Company Shares are held by the members of its management, persons and entities related to them, and key employees of the Company, while 30% of the shares are owned by Manchester Securities Corp. Despite the planned sale of a part of the shares through a private placement referred to in Section 28.3, the existing shareholders will continue to control majority of the Shares.

The Company entered into lock-up agreements with its existing shareholders, as referred to in Section 29. However, there can be no assurance that the existing shareholders will not want to sell all or part of their Shares after the term of the agreements expires, which will result in an increased supply and thus affect (even if temporarily) the price of the Company Shares on the WSE.

Risk Relating to the Liquidity and Price of the Shares

After the Shares are introduced to trading on the stock-exchange market, their price will be driven by a number of factors, including periodic changes of the Company's operational performance, number and liquidity of the listed Shares, exchange rate movements, inflation rate, changes in economic and political factors at a global, regional or national level, and the situation on other stock exchanges worldwide, as well as other events which may affect valuation of the Company Shares.

The Polish securities market is still characterised by relatively small liquidity (which in the case of the Company Shares will be further limited by the lock-up agreements), therefore the prices of securities listed on the WSE may be more volatile than prices on other markets. Accordingly, sale of a large number of the Shares over a short time may from time to time prove difficult, which may significantly reduce their price.

Risk of Dilution

Taking into account the implementation of the Incentive Scheme (see Section 19.2) for employees of the Company and its subsidiary IPOPEMA TFI, which is based on the Company shares issued as part of the conditional share capital increase, and in view of a possible increase in the Company's share capital under the authorised capital defined in the Company's Articles of Association, an investor should recognise the possibility of a material change in the amount of the Company's share capital or the number of outstanding Shares, which could lead to dilution of such investor's shareholding and dilution of earnings per share. It should be emphasised, however, that the objective of the Incentive Scheme is to create an incentive mechanism for current and future employees of the Company and, consequently, to generate more substantial revenues and profits.

Risk Relating to the Suspension of Listing or Exclusion of the Shares from Stock-Exchange Trading

According to the Rules of the Warsaw Stock Exchange, the WSE Management Board may suspend trading in securities for up to three months:

- at the issuer's request,
- if it determines that such suspension is necessary to protect the best interest and safety of market participants,
- if the issuer violates the regulations governing the WSE.

Additionally, under certain circumstances defined in the WSE Rules, the WSE Management Board may exclude securities from stock-exchange trading.

In accordance with Par. 31.1 of the WSE Rules, the WSE Management Board may exclude financial instruments from stock-exchange trading:

- if the transferability of the financial instruments becomes limited,
- at the request of the Polish Financial Supervision Authority made pursuant to the Act on Trading in Financial Instruments,
- if the financial instruments are no longer dematerialised,
- if the financial instruments are excluded from trading on a regulated market by a competent authority.

Furthermore, the provisions of Par. 31.2 of the WSE Rules provide for the possibility of excluding financial instruments from stock-exchange trading by the WSE Management Board in the following circumstances:

- if the securities no longer meet the conditions for admission to stock exchange trading other than those on which the obligatory exclusion of securities from stock exchange trading is based,
- if the issuer is persistently in breach of the WSE regulations,
- at the issuer's request,
- if the issuer's bankruptcy is declared or the petition in bankruptcy is dismissed by the court on the grounds that the issuer's assets are not sufficient to cover the costs of proceedings,
- if it determines that such exclusion is necessary to protect the best interest and safety of market participants,
- following a decision on a merger of the issuer with another company, its demerger or transformation,
- if in the last three months no stock exchange transactions involving the given financial instrument were executed,
- if the issuer engages in activities prohibited under applicable laws,
- if the issuer is placed in liquidation.

There can be no assurance that such circumstances will not occur in the future with respect to the Shares.

Risk Relating to Non-Performance or Improper Performance of Obligations Arising Under Applicable Laws

If a public company fails to perform the obligations listed in Art. 157 and 158 of the Act on Trading in Financial Instruments, the Polish Financial Supervision Authority may impose a pecuniary penalty in an amount of up to PLN 1m on the entity which has failed to perform its obligations; or issue a decision excluding the shares from trading on a regulated market, or impose both these penalties jointly.

Furthermore, Art. 20 of the Act on Trading in Financial Instruments stipulates that if the trading in specified securities is carried out in circumstances which indicate a possible threat to the proper functioning of the regulated market, the security of trading on such a market, or a possible compromise of investors' interests, at the demand of the PFSA the WSE will suspend the trading in such securities or instruments for up to one month. At the demand of the PFSA the WSE will exclude from trading the securities indicated by the PFSA, if the trading in such

securities materially threatens the proper functioning of the regulated market or the security of trading on such a market, or compromises investors' interests.

There can be no assurance that such circumstances will not occur in the future with respect to the Shares.

Risk Relating to Possible Violation of Law in Connection with Promotional Activities

The Issuer or the selling shareholder may undertake promotional activities – within the meaning of and in the form stipulated by Regulation No. 809/2004 – provided that:

- (1) it is expressly stated that the activities are of a purely promotional or advertising nature,
- (2) it is expressly stated that the issue prospectus has been, or will be, published,
- (3) the places at which the issue prospectus is available are specifically designated.

Information presented as part of the promotional activities may not contradict the information contained in the issue prospectus and may not mislead investors as to the situation of the issuer and the assessment of its securities.

If a violation of the obligations listed above is found to have occurred, the Polish Financial Supervision Authority may:

- (1) order that the commencement of the promotional activities be withheld or that the promotional activities already underway be discontinued, in each case for a period not exceeding 10 business days for the purpose of rectifying the identified irregularities, or,
- (2) proscribe the promotional activities, this in the event that:
 - a. the issuer or the selling shareholder evades rectifying the irregularities identified by the Authority,
 - b. the contents of the promotional or advertising materials violate statutory provisions.
- (3) publish, at the expense of the issuer or the selling shareholder, information concerning illegality of the promotional activities, specifying the identified violations.

If a violation of the obligations laid down above is found to have occurred, the Authority may also impose a pecuniary penalty of up to PLN 250,000.

4. PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THE PROSPECTUS

4.1 The Company

Statement by the Individuals Acting on Behalf of the Company as the Entity Responsible for the Information Contained in the Prospectus

IPOPEMA Securities S.A., registered office in Warsaw, Poland, as the entity responsible for the information contained in this Prospectus, hereby represents that to the best of its knowledge and belief, after taking all reasonable care to ensure that such is the case, the information contained in this Prospectus is true, accurate and in accordance with the facts and contains no omission likely to affect its import.

The Management Board of IPOPEMA Securities S.A.

Jacek Lewandowski
President of the Management
Board

Mirosław Borys
Vice-President of the
Management Board

Mariusz Piskorski
Vice-President of the
Management Board

Stanisław Waczkowski
Vice-President of the
Management Board

4.2 Legal Advisor

Allen & Overy, A. Pędzich Spółka Komandytowa
Rondo ONZ 1, 00-124 Warsaw, Poland
Tel.: (00 48 22) 820 61 00
Fax: (00 48 22) 820 61 99

Allen & Overy, A. Pędzich Spółka Komandytowa, as the entity responsible for the information contained in Sections 3.2, 4.2, 11.5, 12-16, 17.5-17.6, 19.1, 20, 22-23 and 26.9 of this Prospectus, hereby represents that to the best of its knowledge and belief, after taking all reasonable care to ensure that such is the case, the information contained in the aforementioned sections of this Prospectus is true, accurate and in accordance with the facts and contains no omission likely to affect their import.

On behalf of

Allen & Overy, A. Pędzich Spółka Komandytowa:

Zbigniew Mrowiec
Partner

5. DIVIDEND POLICY

Pursuant to the resolutions of the General Shareholders Meeting, no dividend was paid out for the 2005 and 2006 financial years. The profit earned in 2006 was allocated to cover the 2005 loss and to reserve funds. Pursuant to Resolution No. 1/VI/2008 of the General Shareholders Meeting of June 26th 2008, the dividend paid out by the Company to its shareholders for the 2007 financial year amounted to PLN 10,000 thousand (or PLN 0.35 per share). In the subsequent years, the Management Board's intention is to apply to the General Shareholders Meeting to allocate a substantial portion of net profit to be distributed to the Company's shareholders in the form of dividend, with the amount of the dividend depending on the future financial performance of the Company and its investment and capital needs connected with the day-to-day operations of the Company and the IPOPEMA Group and the implementation of their continued growth strategies. However, due to the deterioration of market conditions and the declining financial performance of the Company as well as considering the Company's financial needs connected with its entrance into new business areas, the Management Board may not rule out that it would recommend the General Shareholders Meeting to refrain from paying out dividend for 2008.

Dividend Payment Rules

The Company may pay dividend only if the dividend payment and the dividend amount are approved by the Annual General Shareholders Meeting. The amount of dividend to be distributed to shareholders may not exceed the profit reported for the previous financial year plus any retained earnings and amounts transferred from reserve funds and capital reserves that are created from profit and may be allocated to dividend payment. This amount should be reduced by any uncovered retained deficit, the value of treasury shares, and by the amounts which pursuant to the statute or the Articles of Association should be distributed from the previous year's profit to reserve funds or capital reserves. Pursuant to Art. 396 of the Commercial Companies Code, the Company is required to create reserve funds to cover losses. The Company is obliged to transfer to reserve funds at least 8% of its annual net profit, until the value of reserve funds reaches at least one third of its share capital. However, investors are advised that as at June 30th 2008 (the balance-sheet date of the last audited financial statements included in the Prospectus), the Company's reserve funds amounted to PLN 30,027 thousand, with the share capital of PLN 2,857 thousand.

The Company Shares confer no preference dividend rights, which means that each share confers the right to the same amount of dividend.

Rules Governing Adoption of Dividend Payment Decisions

Pursuant to the provisions of the Commercial Companies Code, shares in a joint-stock company confer the right to dividend as of the date of a resolution adopted by the General Shareholders Meeting of the company on allocation of all or some of the company's profit reported in the audited financial statements to be distributed to shareholders. Pursuant to the Commercial Companies Code, the only governing body of the Company authorised to adopt a decision on distribution of the Company's profit is its Annual General Shareholders Meeting. The Annual General Shareholders Meeting should be held within six months as of the end of each financial year. Pursuant to the provisions of the Articles of Association, the duties of the Supervisory Board include issuing its opinions on the recommendations of the Management Board as to the manner of distribution of the Company's profit. Under the Commercial Companies Code, the Annual General Shareholders Meeting of a public company should determine the dividend record date, i.e. the date as at which the list of shareholders entitled to dividend for the given financial year is determined, and the dividend payment date. The dividend record date may be set as at the date of the relevant resolution or any date within three months from the resolution date. Pursuant to the provisions of the Commercial Companies Code, dividend is paid out on the date designated in the relevant resolution of the General Shareholders Meeting. If the resolution of the General Shareholders Meeting does not specify the dividend payment date, dividend is paid out on the date designated by the Supervisory Board.

Dividend Payment Terms

The terms of dividend payment and the role of the Polish NDS in the process are defined in the Detailed Rules of Operation of the Polish NDS. In brief, the issuer is required to notify the Polish NDS of the amount of dividend per share, the dividend record date and the dividend payment date (understood as the day on which appropriate funds must be credited to the accounts of the members of the Polish NDS), by sending, without any delay but no later than ten days prior to the designated dividend record date, the resolution of the General Shareholders Meeting. In accordance with the Detailed Rules of Operation of the Polish NDS, the dividend payment date may fall no earlier than on the 10th day following the dividend record date. The Polish NDS, in cooperation with the entities operating the securities accounts, determine the number of securities whose holders are entitled to dividend as at the end of the dividend record date. Upon verification of the data by the Polish NDS and the entities operating the securities accounts, the Polish NDS provides the issuer with the information necessary to pay the dividend and requests the issuer to provide sufficient funds for the dividend payment. By 11.30 am on the dividend payment date, the issuer is required to ensure that funds sufficient to pay out the dividend are deposited in the cash account or the bank account designated by the Polish NDS. The Commercial Companies Code contains specific regulations concerning the amount of profit of a joint-stock company which may be allocated by virtue of a decision of the General Shareholders Meeting to be distributed to shareholders as dividend. Shareholders are entitled to share in profits reported in the audited financial statements of a joint-stock company and allocated by the General Shareholders Meeting to be distributed to shareholders. The amount of dividend payable to a shareholder of a joint-stock company per each share held in the company is determined by dividing the amount allocated to be distributed to shareholders by the number of shares. Under the Commercial Companies Code, shareholders of a joint-stock company may also be paid interim dividend at the end of the financial year, provided that the company has sufficient funds to make such a payment.

Pursuant to the provisions of Par. 20 of the Company's Articles of Association, the Management Board is authorised to distribute interim dividend to shareholders, on condition that the Company holds sufficient funds to do so. The payment of the interim dividend shall require approval by the Supervisory Board.

The Company may distribute interim dividend if its audited financial statements for the previous financial year show a profit. The interim dividend shall not exceed a half of the profit generated from the end of the previous financial year, as shown in the audited financial statements on which the auditor's opinion was issued – increased by the amount of any undistributed retained earnings allocated to capital reserve for payment of dividend, and decreased by the amount of any retained deficit and the value of mandatory reserves created in accordance with statutory provisions or the Articles of Association.

6. CAPITALISATION AND INDEBTEDNESS. STATEMENT ON WORKING CAPITAL

Capitalisation and Indebtedness

The table below presents the Company's equity and indebtedness, based on the financial data as at March 31st 2009:

As at March 31st 2009 (PLN '000)	
Total current debt (total liabilities)	320,354
– guaranteed*	175,715
– secured**	17,437
– non-guaranteed / unsecured	127,202
Total non-current debt (net of current portion of non-current debt)	-
– guaranteed	-
– secured	-
– non-guaranteed / unsecured	-
Equity	46,274
– share capital	2,857
– reserve funds	30,027
– retained earnings (deficit)***	12,499
– net profit (loss)	891
TOTAL	366,628
<hr/>	
A. Cash	34,811
B. Cash equivalents	-
C. Securities held for trading	816
D. Liquidity (A + B + C)	35,627
E. Current financial receivables	321,373
F. Current bank loans	17,437
G. Current portion of non-current debt	-
H. Other current financial debt	302,529
I. Current financial debt (F + G + H)	319,966
J. Net current financial debt (I – E – D)	-37,034
K. Non-current bank loans and borrowings	-
L. Bonds in issue	-
M. Lease agreements	-
N. Net non-current financial debt (K + L + M)	-
O. Net financial debt (J + N)	-37,034

*Guaranteed debt relates to liabilities to brokerage offices and other brokerage houses covered by the guarantees of the Guarantee Fund.

**The Company has a credit line, secured by a cash deposit and a blank promissory note, contracted for the purpose of servicing the Guarantee Fund (for more information see Section 12.3.1 of this Prospectus).

***2008 net profit, unaudited.

As at March 31st 2009, the Company did not carry any indirect or contingent debt.

Statement on Working Capital

The Management Board of the Company hereby represents that as at the Prospectus approval date, both IPOPEMA Securities and IPOPEMA TFI have working capitals sufficient to cover their day-to-day requirements for the period of 12 consecutive months as of the Prospectus approval date.

The above statement is made based on the present balance of current assets available to each of the companies and on a going-concern basis.

As at the Prospectus approval date, IPOPEMA Business Consulting did not have working capital sufficient for 12 consecutive months of a financial year. The amount of working capital employed by IPOPEMA Securities was calculated based on the business assumptions forecasting that the first operating revenue will be earned in the first half of 2009, which would increase the balance of current assets. However, as at the Prospectus approval date, IPOPEMA BC had signed the first contracts for advisory services (including with large companies listed on the WSE) and was in the process of negotiating new ones. It is expected that execution of the contracts already signed, as well as those which should be signed over the forthcoming months, should generate revenues which will guarantee an adequate level of working capital.

7. SELECTED FINANCIAL INFORMATION

The presentation of selected financial information of IPOPEMA Securities S.A. was prepared based on the audited historical financial information for the financial years 2005, 2006 and 2007 and for the period January 1st–June 30th 2008, together with the comparable data for the period January 1st–June 30th 2007, as well as estimates for the financial year ending December 31st 2008. In addition, this section presents selected financial information on IPOPEMA TFI, a subsidiary undertaking of IPOPEMA Securities, for 2007-2008 (audited) and the period January 1st–June 30th 2008 (excerpted from the accounts of IPOPEMA TFI).

IPOPEMA Securities S.A. – Income Statement

(PLN '000)	2005	2006	2007	2008*	Jan–Jun 2007	Jan–Jun 2008
Total revenue	-	10,385	80,877	49,219	40,194	28,489
Revenue from securities trading	-	8,007	64,530	47,013	30,871	27,462
Revenue from investment banking services	-	2,378	16,347	2,206	9,323	1,027
Costs of brokerage activity	64	4,604	40,028	30,891	18,425	15,479
Transaction cost	-	1,621	14,663	8,949	6,995	4,765
Salaries and wages, and employee benefits	23	1,610	20,272	15,457	8,986	7,703
Expenditure on IT infrastructure	-	174	706	674	322	164
Lease of office space	7	196	569	570	279	276
Contracted services, taxes and charges	28	339	1,437	1,889	829	1,297
Depreciation and amortisation	-	74	871	1,349	396	581
Marketing	-	221	679	875	299	155
Other	6	369	831	1,128	319	538
Profit (loss) on core activity	-64	5,781	40,849	18,328	21,769	13,010
Gain (loss) on transactions in financial instruments held for trading	-	-107	-1,435	-2,483	-647	-2,341
Other operating income	-	-	17	177	3	22
Other operating expenses	-	12	117	299	67	20
Difference between provisions and impairment charges for receivables	-	-	-221	-1,251	-	-239
Operating profit (loss)	-64	5,662	39,093	14,472	21,058	10,432
Financial income	19	173	1,643	3,158	934	1,569
Financial expenses	-	535	5,181	1,780	3,393	1,346
Profit (loss) before extraordinary items	-45	5,300	35,555	15,850	18,599	10,655
Extraordinary gains	-	-	-	-	-	-
Pre-tax profit (loss)	-45	5,300	35,555	15,850	18,599	10,655
Corporate income tax	-2	1,032	6,902	3,324	4,446	2,284
Net profit (loss)	-43	4,268	28,653	12,526	14,153	8,371

*Estimated data, in accordance with Section 9.1 of this Prospectus

IPOPEMA Securities S.A. – Balance Sheet

ASSETS (PLN '000)	Dec 31 2005	Dec 31 2006	Dec 31 2007	Jun 30 2008
Cash and cash equivalents	663	8,476	32,112	34,771
Current receivables	4	241,810	263,936	264,006
From clients	-	147,055	131,151	114,642
From related undertakings	-	383	1,096	954
From brokerage offices, other brokerage houses and commodity brokerage houses	-	89,058	119,722	143,378
From the National Depository for Securities and exchange clearing houses	-	5,041	7,591	4,687
Taxes, subsidies and social security receivable	4	-	621	180
Other	-	273	3,755	165
Financial instruments held for trading	-	10	4,553	4,519
Equities	-	10	4,553	4,519
Debt securities	-	-	-	-
Investment certificates	-	-	-	-
Warrants	-	-	-	-
Other securities	-	-	-	-
Derivatives	-	-	-	-
Commodities	-	-	-	-
Other	-	-	-	-
Current prepayments and accrued income	-	16	652	642
Financial instruments held to maturity	-	-	-	-
Financial instruments available for sale	-	-	2,700	3,600
Non-current receivables	-	-	-	-
Non-current loans advanced	-	-	-	-
Intangible assets	-	727	615	1,032
Property, plant and equipment	-	1,285	1,280	1,254
Non-current prepayments and accrued income	2	53	1,227	233
TOTAL ASSETS	669	252,377	307,075	310,057

EQUITY AND LIABILITIES (PLN '000)	Dec 31 2005	Dec 31 2006	Dec 31 2007	Jun 30 2008
Current liabilities	2	237,912	258,012	267,111
To clients	-	87,831	122,063	138,526
To related undertakings	1	12	18	-
To brokerage offices and other brokerage houses	-	146,279	125,425	110,963
To entities operating regulated securities markets	-	-	-	506
To the Polish NDS	-	-	-	123
Loans and borrowings	-	2,017	7,571	4,667
Taxes, customs duties and social security payable	1	933	602	278
Other	-	840	2,333	12,048
Non-current liabilities	-	-	-	-
Accruals and deferred income	-	-	-	-
Provisions for liabilities	10	234	6,179	1,691
Subordinated liabilities	-	-	-	-
Equity	657	14,231	42,884	41,255
Share capital	700	2,857	2,857	2,857
Reserve funds	-	7,149	11,374	30,027
Retained earnings (deficit)	-	-43	-	-
Net profit (loss)	-43	4,268	28,653	8,371
TOTAL EQUITY AND LIABILITIES	669	252,377	307,075	310,057

IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A. – Income Statement

(PLN'000)	2007	2008	Jan–Jun 2008
Revenue	69	4,420	587
Costs of activities	1,686	4,009	1,908
Other operating income	180	-	1,119
Operating profit (loss)	-1,437	238	-202
Pre-tax profit	-1,412	256	-189
Net profit	-1,278	261	-189

IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A. – Balance Sheet

ASSETS (PLN '000)	Dec 31 2007	Dec 31 2008	Jun 30 2008
Non-current assets	209	326	243
Current assets	1,327	2,035	1,494
Inventories	-	-	6
Current receivables	314	953	1,225
Current investments	1,012	857	234
Current prepayments and accrued income	-	225	29
TOTAL ASSETS	1,536	2,361	1,737

EQUITY AND LIABILITIES (PLN '000)	Dec 31 2007	Dec 31 2008	Jun 30 2008
Equity	1,422	1,983	1,533
Share capital	2,700	3,000	3,000
Retained earnings (deficit)	-	-1,278	-1,278
Net profit (loss)	-1,278	261	-189
Liabilities and provisions for liabilities	114	377	205
TOTAL EQUITY AND LIABILITIES	1,536	2,361	1,737

8. ANALYSIS OF THE COMPANY'S FINANCIAL STANDING, PERFORMANCE, ASSETS AND CAPITAL RESOURCES

The analysis of the financial standing and performance of IPOPEMA Securities S.A. covers the years ended December 31st 2005, December 31st 2006 and December 31st 2007 and the period of six months ended June 30th 2008, and is also based on the estimates for the financial year ended December 31st 2008. The 2005 data covers the period from the registration of the Company on March 10th 2005 to December 31st 2005. The analysis was performed based on the audited non-consolidated financial statements of the Company prepared in accordance with the Polish Accounting Standards. IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A. is not consolidated because so far it has had no material effect on the financial standing of IPOPEMA Securities.

8.1 Financial Standing

Summary

The Company was registered on March 10th 2005. It commenced its operations on October 28th 2005 and until the end of 2005 generated no revenue, while incurring operating costs. It led to a net loss of PLN 43 thousand posted in 2005. In the subsequent periods, IPOPEMA Securities' revenue was as follows: PLN 10,385 thousand in 2006, PLN 80,877 thousand in 2007 and 49,219 thousand in 2008 (PLN 28,489 thousand in H1 2008). Profit on core activity was PLN 5,781 thousand in 2006, PLN 40,849 thousand in 2007 and PLN 18,328 thousand in 2008 (PLN 13,010 thousand in H1 2008). The Company's net profit reached PLN 4,268 thousand in 2006, PLN 28,653 thousand in 2007 and PLN 12,526 thousand in 2008 (PLN 8,371 thousand in the first six months of 2008).

IPOPEMA TFI was established in March 2007, but because it was required to obtain a licence from the Polish Financial Supervision Authority to operate as an investment fund company, it had not commenced its operations until September 2007. Consequently, the total revenue generated by IPOPEMA TFI in 2007 amounted to PLN 249 thousand (including other operating income), while the company incurred the costs of organisation of its business as well as the costs of salaries and wages and lease of office space, which resulted in net loss of PLN 1,278 thousand. In 2008, IPOPEMA TFI's total revenue reached PLN 4,420 thousand (PLN 1,706 thousand in H1 2008), with operating costs at PLN 4,009 thousand (PLN 1,908 thousand in H1 2008), which produced net profit of PLN 261 thousand (versus net loss of PLN 189 thousand in H1 2008).

Revenue

The Company's main sources of revenue include revenue on transactions in securities concluded for the clients, which accounted for 79.8% of total revenue generated in 2007, and revenue on investment banking services, including revenue from offering of securities and M&A advisory (accounting in aggregate for 20.2% of the 2007 total revenue). Due to the downturn in the primary market in 2008, revenue from brokerage activities represented 95.5% of total revenue, with investment banking revenue accounting for 4.5% of the total figure (96.4% and 3.6%, respectively, in H1).

Revenue on transactions in securities is derived from brokerage activities of IPOPEMA Securities, which acts as the intermediary in transactions concluded by institutional clients on the equity market of the Warsaw Stock Exchange. Revenue on transactions in securities depends on the trading volume and is recognised with each concluded transaction.

The Company's revenue on the provision of investment banking services includes revenue derived from the arrangement and execution of public offerings, private equity transactions, M&A advisory and other transactional or financial advisory services. With respect to public offerings and private equity transactions, fees determined as a percentage of the value of offerings form the major part of IPOPEMA Securities' revenue. The Company also collects fixed charges for the provision of financial advisory services and the preparation of valuations and issue prospectuses (or information memoranda). Fee income is earned only if a transaction is successful and is recognised at the settlement of the offering, while advisory revenue is recorded on a pro-rata basis in line with the progress of work under an advisory mandate. Also with respect to the M&A transactions, the major part of the Company's remuneration are success fees, determined either as a percentage of the transaction value or as a fixed amount. In addition, at the initial phase of work on a transaction, IPOPEMA Securities usually collects monthly retainers (predominantly in the form of prepayments). Advisory revenue is usually recognised at the time of signing investment agreements by the Company's clients. With respect to the other transactional or financial advisory services, IPOPEMA Securities charges for the performance of specific services or collects monthly retainers, if the cooperation with the client continues for a longer period.

Costs of brokerage activities

The key cost items of IPOPEMA Securities are salaries and wages and transaction costs, which accounted for 50.0% and 29.0%, respectively, of total costs incurred in 2008 and 50.6% and 36.6%, respectively, of total costs incurred in 2007.

The cost of salaries and wages includes basic salaries and wages, bonuses (including provisions for bonuses) and other benefits payable to the Company employees. In the period under review, bonuses were determined on a discretionary basis, individually for each employee, based on the employee's present and future value to the entire business of IPOPEMA Securities and on the performance of the Company's individual departments.

Transaction costs incurred by the Company are variable and are mainly related to the obligatory transaction charges payable to the Warsaw Stock Exchange and the Polish National Depository for Securities, the amount of which is based on the trading volume generated by transactions concluded for IPOPEMA Securities' clients.

With respect to public offerings where IPOPEMA Securities acts as the lead manager and which are connected with the formation of a distribution syndicate, the remuneration of the brokerage offices participating in the syndicate is usually accounted for individually and posted as transaction costs.

IT infrastructure costs comprise payments under software licences, cost of maintenance of the office equipment and IT network and the cost of telecommunications services (including the cost of Internet access).

The cost of lease of office space comprises payments to Mennica Polska for the lease of office space and the related auxiliary services.

The cost of contracted services, taxes and charges comprises mainly taxes and charges (including non-deductible VAT), as well as the cost of legal, transport, courier and post, and translation services.

Depreciation and amortisation comprises depreciation and amortisation write-offs on tangible assets (computers, furniture and other office equipment) and software licences purchased.

Marketing costs comprise expenses related to business travel, representation and advertising.

Other costs comprise expenditure on office supplies, press and news services subscriptions, as well as other expenditure related to the day-to-day operations of the Company.

IPOPEMA TFI

IPOPEMA TFI's revenue comprises fees for the management of investment funds and charges collected for the creation of individual funds and issuing investment certificates of the funds (in 2007 recognised under other operating income). The major cost item of IPOPEMA TFI is salaries and wages. IPOPEMA TFI's other significant cost items include the costs of lease of office space and contracted services.

IPOPEMA Securities S.A. – Income Statement

(PLN '000)	2005	2006	2007	2008*	Jan-Jun 2007	Jan-Jun 2008
Total revenue	-	10,385	80,877	49,219	40,194	28,489
Revenue on transactions in securities	-	8,007	64,530	47,013	30,871	27,462
Revenue on investment banking services	-	2,378	16,347	2,206	9,323	1,027
Costs of brokerage activities	64	4,604	40,028	30,891	18,425	15,479
Transaction costs	-	1,621	14,663	8,949	6,995	4,765
Salaries and wages and employee benefits	23	1,610	20,272	15,457	8,986	7,703
IT infrastructure costs	-	174	706	674	322	164
Lease of office space	7	196	569	570	279	276
Contracted services, taxes and charges	28	339	1,437	1,889	829	1,297
Depreciation and amortisation	-	74	871	1,349	396	581
Marketing	-	221	679	875	299	155
Other	6	369	831	1,128	319	538
Profit (loss) on core activity	-64	5,781	40,849	18,328	21,769	13,010
Gain (loss) on transactions in financial instruments held for trading	-	-107	-1,435	-2,483	-647	-2,341
Other operating income	-	-	17	177	3	22
Other operating expenses	-	12	117	299	67	20
Difference between provisions and impairment charges for receivables	-	-	-221	-1,251	-	-239
Operating profit (loss)	-64	5,662	39,093	14,472	21,058	10,432
Financial income	19	173	1,643	3,158	934	1,569
Financial expenses	-	535	5,181	1,780	3,393	1,346
Profit (loss) before extraordinary items	-45	5,300	35,555	15,850	18,599	10,655
Extraordinary gains	-	-	-	-	-	-
Pre-tax profit (loss)	-45	5,300	35,555	15,850	18,599	10,655
Corporate income tax	-2	1,032	6,902	3,324	4,446	2,284
Net profit (loss)	-43	4,268	28,653	12,526	14,153	8,371

*Estimated data, in accordance with Section 9.1 of this Prospectus.

Margin	2005	2006	2007	2008*	Jan-Jun 2007	Jan-Jun 2008
Margin on core activities	-	55.7%	50.5%	37.2%	54.2%	45.7%
Operating margin	-	54.5%	48.3%	29.4%	52.4%	36.6%
Net margin	-	41.1%	35.4%	25.4%	35.2%	29.4%

*Based on estimated data, in accordance with Section 9.1 of this Prospectus.

Comparison of the Performance of IPOPEMA Securities S.A. in 2006 and 2005

Revenue

In 2006, IPOPEMA Securities' revenue on core activities was PLN 10,385 thousand and comprised revenue on transactions in securities of PLN 8,007 thousand and revenue on investment banking services of PLN 2,378 thousand, representing 77.1% and 22.9%, respectively, of total revenue. It should be noted that the Company started generating revenue on transactions in securities as of the launch of its brokerage business on October 27th 2006. The investment banking revenue comprised mainly revenue derived from the execution of three public offerings (two IPOs and one secondary rights offering) and payments received in connection with on-going projects. Some of the revenue on investment banking services was also generated by Dom Inwestycyjny IPOPEMA, as the full scope of operating activities was transferred to IPOPEMA Securities only in October 2006.

In 2005, the Company did not post any revenue due to the fact that in 2005 it operated only for a short period of time.

Costs of brokerage activities

In 2006, the costs of core activities amounted to PLN 4,604 thousand. Transaction costs of PLN 1,621 thousand were the largest item and were connected with the launch of the brokerage business. The amount of transaction costs was related to the securities trading volume handled by the Company in November and December. In 2006, salaries and wages, totalling PLN 1,610 thousand, also represented a major cost item. The amount of salaries and wages was determined by the fact that as of August 2006, due to the gradual business expansion and the launch of the Secondary Market Department, the Settlement Department, the Compliance Office, the Research Office, the IT Office as well as the transfer of the entire team of Dom Inwestycyjny IPOPEMA S.A. to the Capital Market Department of IPOPEMA Securities in October of that year, the headcount at the Company totalled 34 employees as at the end of 2006, while in the period from January to July the Company employed only five staff.

The operating costs incurred by the Company in 2005 totalled PLN 64 thousand and comprised salaries and wages of PLN 23 thousand, contracted services of PLN 35 thousand and other costs of PLN 6 thousand.

Profit (loss) on core activity

IPOPEMA Securities' revenue and costs described above contributed to the Company's profit on core activity of PLN 5,781 thousand in 2006 and loss on brokerage activity of PLN 64 thousand in 2005. In 2006, the margin earned on core activities was 55.7%.

Gain (loss) on transactions in financial instruments held for trading

In 2006, the Company reported losses of PLN 107 thousand on sale of financial instruments held for trading, which followed from errors made in connection with the concluded transactions. In 2005, the Company was not engaged in any trading in securities and did not record any revenue or costs related to transactions in financial instruments held for trading.

Other operating income / expenses

In 2005 and 2006, the Company did not carry any other operating income, but in 2006 it incurred other operating expenses of PLN 12 thousand.

Operating profit

As the Company carried no other operating income and insignificant other operating expenses, operating profit (loss), amounting to PLN 5,662 thousand in 2006 and PLN -64 thousand in 2005, differed only slightly from profit (loss) on core activity. Consequently, in 2006 the operating margin earned by the Company stood at 54.5%.

Financial income

Financial (interest) income amounted to PLN 173 thousand in 2006 and PLN 20 thousand in 2005.

Financial expenses

In 2006, financial expenses reached PLN 535 thousand, including interest expense of PLN 224 thousand. Interest expense was incurred because the Company temporarily needed to use debt financing to secure sufficient contributions to the Guarantee Fund in connection with secondary-market transactions executed and not yet settled. In 2006, other financial expenses stood at PLN 311 thousand.

In 2005, the Company did not incur any financial expenses.

Corporate income tax

In 2006, corporate income tax amounted to PLN 1,032 thousand, with the effective tax rate of 19.5%. In 2005, the Company did not carry any taxable income and did not incur any tax expense.

Net profit

All of the above contributed to the Company's net profit of PLN 4,268 thousand in 2006 and net loss of PLN 43 thousand in 2005. The net profit earned by the Company in 2006 yielded a net margin of 41.1%.

Comparison of the Performance of IPOPEMA Securities S.A. in 2007 and 2006

Revenue

In 2007, IPOPEMA Securities' revenue on core activities was PLN 80,877 thousand, up by 679% relative to 2006. Such a significant increase followed from the fact that in 2007 the Company conducted full-scale operations, while in 2006 it earned revenue on transactions in securities from the date of the launch of its brokerage business on October 27th 2006. The same applied to revenue on investment banking services, some

of which was also generated by Dom Inwestycyjny IPOPEMA in the period of the first three quarters of the year, and only as of October 2006 the full scope of operating activities was transferred to IPOPEMA Securities. In 2007, revenue on core activities comprised revenue on transactions in securities of PLN 64,530 thousand and revenue on investment banking services of PLN 16,347 thousand, representing 79.8% and 20.2%, respectively, of total revenue. In 2006, the Company's revenue on transactions in securities reached PLN 8,007 thousand, and revenue on investment banking services stood at PLN 2,378 thousand (accounting for 77.1% and 22.9%, respectively, of total revenue).

Costs of brokerage activities

In 2007, the costs of core activities amounted to PLN 40,028 thousand and were up 769% relative to 2006, when they reached PLN 4,604 thousand. Such a significant increase was due to the fact that in 2007 Company conducted full-scale operations. Salaries and wages totalling PLN 20,272 thousand (including the provision for bonuses of PLN 5,313 thousand) were the largest cost item in 2007. In 2006, the total cost of salaries and wages amounted to PLN 1,610 thousand. The increase in salaries and wages was also driven by the growing headcount at the Company, from 34 employees as at the end of 2006 to 44 employees as at the end of 2007. Another significant cost item in 2007 were transaction costs totalling PLN 14,663 thousand, related mainly to the brokerage activities, which in 2006 amounted to PLN 1,621 thousand.

Profit (loss) on core activity

IPOPEMA Securities' revenue and costs described above contributed to the Company's profit on core activity of PLN 40,849 thousand in 2007 and PLN 5,781 thousand in 2006. The Company's margin earned on core activities stood at 50.5% and 55.7%, respectively.

Gain (loss) on transactions in financial instruments held for trading

In 2007, due to errors made in connection with the concluded transactions, the Company reported losses of PLN 1,325 thousand on sale of financial instruments held for trading. This was the main factor driving the total result on transactions in financial instruments held for trading, which in 2007 stood at PLN -1,435 thousand, while in 2006 the loss on sale of financial instruments held for trading amounted to PLN 107 thousand.

Other operating income / expenses

In 2006, the Company did not carry any other operating income, which in 2007 stood at PLN 17 thousand. Other operating expenses amounted to PLN 12 thousand in 2006 and PLN 117 thousand in 2007, and comprised mainly the costs of membership fees for 2007, totalling PLN 70 thousand.

Operating profit

As the Company carried no other operating income and insignificant other operating expenses, operating profit, amounting to PLN 30,093 thousand in 2007 and PLN 5,662 thousand in 2006, differed only slightly from profit (loss) on core activity. Consequently, the operating margin earned by the Company stood at 48.3% in 2007 and 54.5% in 2006.

Financial income

In 2007, financial income totalled PLN 1,643 thousand, including interest income of PLN 1,597 thousand. In 2006, financial income amounted to PLN 173 thousand.

Financial expenses

Financial expenses reached PLN 5,181 thousand in 2007 and PLN 535 thousand in 2006, including interest expense of PLN 1,683 thousand and PLN 224 thousand, respectively. Interest expense was incurred because the Company temporarily needed to use debt financing to secure sufficient contributions to the Guarantee Fund in connection with secondary-market transactions executed and not yet settled. In 2007, other financial expenses included such items as additional costs of debt financing and negative financial differences on executed transactions.

Corporate income tax

Corporate income tax amounted to PLN 6,902 thousand in 2007 and PLN 1,032 thousand in 2006, with the effective tax rate of 19.4% and 19.5%, respectively.

Net profit

All of the above contributed to the Company's net profit of PLN 28,653 thousand in 2007 and PLN 4,268 thousand in 2006. The net profit earned by the Company in 2007 and 2006 translated into a net margin of 35.4% and 41.1%, respectively.

Comparison of the Performance of IPOPEMA Securities S.A. for January–June 2008 and January–June 2007

Revenue

Revenue on core activities totalled PLN 28,489 thousand in the first half of 2008 and PLN 40,194 thousand in the first six months of 2007. Revenue earned in the first half of 2008 comprised revenue on brokerage activities of PLN 27,462 thousand and revenue on investment banking services of PLN 1,027 thousand, while revenue generated in the first half of 2007 included revenue on brokerage activities of PLN 30,871 thousand and revenue on investment banking services of PLN 9,323 thousand. The Company increased its share in the trading volume on the secondary market of the Warsaw Stock Exchange in the first six months of 2008 compared with the corresponding period of the previous year, which allowed it to reduce the negative effect of WSE's lower trading volumes on its revenue. As the Company did not carry out any public offering transactions in the first half of 2008, revenue on investment banking services declined to PLN 1,027 thousand from PLN 9,323 thousand in the first six months of 2007 (when the Company executed one IPO and three secondary rights offerings).

Costs of brokerage activities

In the first half of 2008, the costs of core activities amounted to PLN 15,479 thousand and comprised mainly transaction costs of PLN 4,765 thousand and salaries and wages of PLN 7,703 thousand. The amount of transaction costs was related to securities trading handled by IPOPEMA Securities for its clients. While the cost of salaries and wages was driven by the Company's increased headcount, compared with the first half of 2007. In the first six months of 2008, other costs of brokerage activities totalled PLN 3,011 thousand and comprised mainly the costs of contracted services, lease of office space and depreciation and amortisation.

In the first half of 2007, the total costs of core activities amounted to PLN 18,425 thousand and comprised salaries and wages of PLN 8,986 thousand, transaction costs of PLN 6,995 thousand and other costs of PLN 2,444 thousand.

Profit (loss) on core activity

The Company's profit on core activity amounted to PLN 13,010 thousand in the first half of 2008 and PLN 21,769 thousand in the first half of 2007. Consequently, the margin earned on core activities stood at 45.7% and 54.2%, respectively.

Gain (loss) on transactions in financial instruments held for trading

In the first half of 2008, due to errors made in connection with the concluded transactions, the Company reported losses of PLN 2,163 thousand on sale of financial instruments held for trading. This was the main factor driving the total result on transactions in financial instruments held for trading, which stood at PLN -2,341 thousand in the first half of 2008. In the corresponding period of 2007, the Company reported losses of PLN 647 thousand on transactions in financial instruments held for trading.

Other operating income / expenses

In the first half of 2008 and 2007, the Company reported insignificant other operating income (PLN 22 thousand and PLN 3 thousand, respectively) and other operating expenses (PLN 20 thousand and PLN 67 thousand, respectively).

Operating profit

All of the above contributed to the Company's operating profit of PLN 10,432 thousand in the first half of 2008 and PLN 21,058 thousand in the first half of 2007. Consequently, the operating margin earned by the Company in the above periods was 36.6% and 52.4%, respectively.

Financial income

In the first half of 2008, financial income totalled PLN 1,569 thousand and comprised mainly interest income of PLN 1,252 thousand, while in the first six months of 2007 financial income stood at PLN 934 thousand. In the first half of 2008, financial income was derived from keeping surplus cash in bank deposits.

Financial expenses

In the first half of 2008, financial expenses totalled PLN 1,346 thousand, including interest expense of PLN 503 thousand. Interest expense was incurred because the Company needed to use debt financing to secure sufficient contributions to the Guarantee Fund in connection with secondary-market transactions executed and not yet settled. Other financial expenses included mainly negative financial differences on executed transactions. In the first six months of 2007, financial expenses totalled PLN 3,393 thousand, including interest expense of PLN 1,496 thousand.

Corporate income tax

Corporate income tax amounted to PLN 2,284 thousand in the first half of 2008 and PLN 4,446 thousand in the first half of 2007, with the effective tax rate of 21.4% and 23.9%, respectively.

Net profit

All of the above contributed to the Company's net profit of PLN 8,371 thousand in the first half of 2008 and PLN 14,153 thousand in the first half of 2007. The net profit earned by the Company in the above periods translated into a net margin of 29.4% and 35.2%, respectively.

Comparison of the Performance of IPOPEMA Securities S.A. for 2008 and 2007

Revenue

In 2008, IPOPEMA Securities' revenue on core activities totalled PLN 49,219 thousand and was down by 39.1% year on year. The decline in revenue was due to a significant downturn on the secondary market of the Warsaw Stock Exchange in 2008 (the value of total trading volume was down by 30.9% relative to 2007) and a virtual collapse of the public offering market (the total value of public offerings completed in 2008 was down by 73.4% relative to 2007). As a result of the above, revenue on transactions in securities was down by 27.1%, while revenue on investment banking services fell by 86.5% relative to 2007.

Costs of brokerage activities

In 2008, the costs of core activities amounted to PLN 30,891 thousand and comprised mainly salaries and wages of PLN 15,457 thousand and transaction costs of PLN 8,949 thousand. The decline in the cost of salaries and wages relative to 2007 was due to the lower amount of bonuses paid (with a similar number of employees). Lower transaction costs were driven mainly by lower value of secondary-market trading and lower value of equity transactions executed by the Company.

In 2008, other costs of brokerage activities totalled PLN 6,485 thousand and comprised mainly the costs of contracted services, depreciation and amortisation and other costs.

In 2007, the total costs of core activities amounted to PLN 40,028 thousand and included mainly salaries and wages of PLN 20,272 thousand, transaction costs of PLN 14,663 thousand and other costs of PLN 5,093 thousand.

Profit (loss) on core activity

The Company's profit on core activity amounted to PLN 18,328 thousand, which represented a 55.1% decline from PLN 40,849 thousand reported in 2007. The margin on core activities also deteriorated, from 50.5% in 2007 to 37.2% in 2008.

Gain (loss) on transactions in financial instruments held for trading/sale

In the first half of 2008, due to errors made during the conclusion of transactions, the Company reported losses of PLN 3,060 thousand on sale of financial instruments held for trading/sale. This was the main factor driving the total result on transactions in financial instruments held for trading, which stood at PLN -2,483 thousand in 2008. In 2007, the Company reported losses of PLN 1,435 thousand on transactions in financial instruments held for trading/sale.

Other operating income / expenses

The Company's other operating income amounted to PLN 177 thousand in 2008 and PLN 17 thousand in 2007. Other operating expenses totalled PLN 299 thousand in 2008 and PLN 117 thousand in 2007. Substantially higher costs of provisions in 2008 followed from the need to create provisions for receivables with respect to which the Company initiated court proceedings (PLN 890 thousand).

Operating profit

All of the above contributed to the Company's operating profit to PLN 14,472 thousand in 2008 and PLN 39,093 thousand in 2007. Consequently, the operating margin earned by the Company in 2008 and 2007 stood at 29.4% and 48.3%, respectively.

Financial income

Financial income, comprising mainly interest income earned on surplus cash kept in bank deposits, totalled PLN 3,158 thousand in 2008 and PLN 1,643 thousand in 2007.

Financial expenses

In 2008, financial expenses totalled PLN 1,780 thousand and included mainly interest expense related to the credit lines used to service payments to the Guarantee Fund. Higher financial expenses incurred in 2007 (PLN 5,181 thousand) followed from the need to temporarily use debt financing, which is much more costly, in order to service the Guarantee Fund, and from negative financial differences on executed transactions.

Corporate income tax

Corporate income tax amounted to PLN 3,324 thousand in 2008 and PLN 6,902 thousand in 2007, with the effective tax rate of 21.0% and 19.4%, respectively.

Net profit

All of the above contributed to the Company's net profit of PLN 12,526 thousand in 2008 and PLN 28,653 thousand in 2007. The net profit earned by the Company in the above periods translated into a net margin of 25.4% and 35.4%, respectively.

Balance Sheet of IPOPEMA Securities S.A.

ASSETS (PLN '000)	Dec 31 2005	Dec 31 2006	Dec 31 2007	Jun 30 2008
Cash and cash equivalents	663	8,476	32,112	34,771
Current receivables	4	241,810	263,936	264,006
From clients	-	147,055	131,151	114,642
From related undertakings	-	383	1,096	954
From brokerage offices, other brokerage houses and commodity brokerage houses	-	89,058	119,722	143,378
From the National Depository for Securities and exchange clearing houses	-	5,041	7,591	4,687
Taxes, subsidies and social security receivable	4	-	621	180
Other	-	273	3,755	165
Financial instruments held for trading	-	10	4,553	4,519
Equities	-	10	4,553	4,519
Debt securities	-	-	-	-
Investment certificates	-	-	-	-
Warrants	-	-	-	-
Other securities	-	-	-	-
Derivatives	-	-	-	-
Commodities	-	-	-	-
Other	-	-	-	-
Current prepayments and accrued income	-	16	652	642
Financial instruments held to maturity	-	-	-	-
Financial instruments available for sale	-	-	2,700	3,600
Non-current receivables	-	-	-	-
Non-current loans advanced	-	-	-	-
Intangible assets	-	727	615	1,032
Property, plant and equipment	-	1,285	1,280	1,254
Non-current prepayments and accrued income	2	,53	1,227	233
TOTAL ASSETS	669	252,377	307,075	310,057

EQUITY AND LIABILITIES (PLN '000)	Dec 31 2005	Dec 31 2006	Dec 31 2007	Jun 30 2008
Current liabilities	2	237,912	258,012	267,111
To clients	-	87,831	122,063	138,526
To related undertakings	1	12	18	-
To brokerage offices and other brokerage houses	-	146,279	125,425	110,963
To entities operating regulated securities markets	-	-	-	506
To the National Depository for Securities	-	-	-	123
Loans and borrowings	-	2,017	7,571	4,667
Taxes, customs duties and social security payable	1	933	602	278
Other	-	840	2,333	12,048
Non-current liabilities	-	-	-	-
Accruals and deferred income	-	-	-	-
Provisions for liabilities	10	234	6,179	1,691
Subordinated liabilities	-	-	-	-
Equity	657	14,231	42,884	41,255
Share capital	700	2,857	2,857	2,857
Reserve funds	-	7,149	11,374	30,027
Retained earnings (deficit)	-	-43	-	-
Net profit (loss)	-43	4,268	28,653	8,371
TOTAL EQUITY AND LIABILITIES	669	252,377	307,075	310,057

Liquidity	Dec 31 2005	Dec 31 2006	Dec 31 2007	Jun 30 2008
Current ratio (x)	333.50	1.05	1.17	1.14
Cash ratio (x)	331.50	0.04	0.12	0.13
Net working capital (PLN '000)	665	12,400	43,241	36,827

– *Current ratio = Current assets / Current liabilities*

– *Cash ratio = Cash and cash equivalents / Current liabilities*

– *Net working capital = Current assets – Current liabilities*

Financing ratios	Dec 31 2005	Dec 31 2006	Dec 31 2007	Jun 30 2008
Debt ratio	1.8%	94.4%	86.0%	86.7%
Interest-bearing debt to total assets	0.0%	0.8%	2.5%	1.5%
Equity financing of assets (x)	328.5	6.9	7.4	6.7
Debt/equity ratio	0.0%	14.2%	17.7%	11.3%

– *Debt ratio = Total liabilities and provisions for liabilities / Total assets*

– *Equity financing of assets = Equity / Non-current assets*

– *Debt/equity ratio = Interest bearing debt / Equity.*

Analysis of the Balance Sheet of IPOPEMA Securities S.A.

The most material items of IPOPEMA Securities' balance sheet are current receivables and current liabilities, which as at June 30th 2008 represented 85.1% and 86.1%, respectively, of the balance-sheet total.

Current receivables and liabilities are recognised predominantly in connection with the executed buy and sell transactions in securities, not yet settled at the Polish NDS. In the case of buy trades executed on the WSE on behalf of clients whose accounts are maintained by custodian banks, the Company recognises liabilities towards the parties to market transactions (brokerage offices and houses, known as the anonymous party to a transaction) and receivables from the clients on behalf of whom such buy transactions have been executed. In the event of sell trades executed on the WSE on behalf of clients whose accounts are maintained by custodian banks, the Company recognises receivables from the parties to market transactions and liabilities towards the clients on behalf of whom such sell trades have been executed.

Current receivables (which stood at PLN 264,006 thousand, PLN 263,936 thousand and PLN 241,810 thousand as at June 30th 2008, December 31st 2007 and December 31st 2006, respectively) mainly included receivables under the executed buy and sell transactions in securities. As at June 30th 2008, in line with the generally applicable rule providing for settling transactions on the third business day after execution, receivables from clients (totalling PLN 114,642 thousand), as well as receivables from brokerage offices, other brokerage houses and commodity brokers (totalling PLN 143,378 thousand) principally represented non-settled (both sell and buy) transactions executed from June 26th to June 30th 2008 (June 30th 2008 was the last session day of that month), which stood at PLN 112,957 thousand and PLN 143,378 thousand, respectively. Similarly, as at December 31st 2007, receivables from clients (totalling PLN 131,151 thousand), as well as receivables from brokerage offices, other brokerage houses and commodity brokers (totalling PLN 119,722 thousand) principally represented non-settled trades in equities executed from December 21st to December 28th 2007 (December 21st, 27th and 28th having been the year's last three session days), which stood at PLN 130,635 thousand and PLN 119,722 thousand, respectively. Finally, as at December 31st 2007, receivables from clients (totalling PLN 147,055 thousand), as well as receivables from brokerage offices and other brokerage houses (totalling PLN 89,058 thousand) principally represented non-settled trades in equities executed from December 27th to December 29th 2006.

The balance of current receivables from clients under the executed transactions mainly represents fees receivable, totalling PLN 477 thousand as at June 30th 2008 and PLN 516 thousand as at December 31st 2007.

Current receivables from the National Depository for Securities represent the Company's contributions to the Guarantee Fund made in connection with the executed but not yet settled transactions (amounting to PLN 7,591 thousand as at December 31st 2007 and PLN 4,687 thousand as at June 30th 2008).

Other current receivables are principally related to investment banking services.

Current liabilities (which stood at PLN 267,111 thousand, PLN 258,012 thousand and PLN 237,912 thousand as at June 30th 2008, December 31st 2007 and December 31st 2006, respectively) mainly included liabilities under trades in securities, related to non-settled buy and sell transactions in securities executed for the Company's clients. As at June 30th 2008, liabilities towards clients under executed transactions stood at PLN 138,526 thousand, while liabilities towards the other market participants (brokerage offices and other brokerage houses) stood at PLN 110,963 thousand and were related to the transactions executed from June 26th to June 30th 2008. Similarly, as at December 31st 2007, liabilities towards clients (of PLN 122,063 thousand) and towards brokerage offices and other brokerage houses (PLN 125,425 thousand) reflected non-settled transactions executed from December 21st to December 28th 2007. Finally, as at December 31st 2006, liabilities towards clients (PLN 87,831 thousand) and other market participants (of PLN 146,279 thousand) reflected transactions executed from December 27th to December 29th 2006.

Cash stood at PLN 32,112 thousand as at December 31st 2007 and at PLN 34,771 thousand as at June 30th 2008, and mainly included short-term bank deposits. As the Company's operations in 2005 were limited, as at December 31st 2005, cash (of PLN 663 thousand) represented almost all assets (99.1% of the balance-sheet total).

Equity amounted to PLN 42,884 thousand as at December 31st 2007 and to PLN 41,255 thousand as at June 30th 2008. As the Company's operations in 2005 were limited, as at December 31st 2005 equity (of PLN 657 thousand) represented almost entire value of equity and liabilities (98.2% of the balance-sheet total). The increase in equity recorded from December 31st 2005 to December 31st 2007 was attributable to the PLN 9,305 thousand capital increase in 2006 and profit earned by the Company in 2006 and 2007.

IPOPEMA Securities' interest-bearing debt totalled PLN 4,667 thousand as at June 30th 2008 and PLN 7,571 thousand as at December 31st 2007. The debt represented a short-term revolving bank loan used to finance contributions to the Guarantee Fund for settlement of stock-exchange transactions and to settle transactions. As at December 31st 2006, IPOPEMA Securities' interest-bearing debt totalled PLN 2,017 thousand and represented a short-term loan contracted in connection with the launch of the Company's brokerage activities in 2006. As at December 31st 2005, the Company did not carry any interest-bearing liabilities.

At the end of H1 2008, as well as at the end of 2006 and 2007, the Company's liquidity was adequate. The low level of quick ratio is attributable to the high value of current liabilities, which are, though, in practice offset by current receivables. As at the end of H1 2008, working capital was PLN 36,927 thousand. The high 2005 liquidity ratios are accounted for by the fact that the Company did not carry activities then and the main items of its balance sheet were cash and equity.

The high level of the debt ratio is attributable to the high value of current liabilities under the executed transactions on securities. It should be noted, though, that current receivables under trades in securities are similarly high. Since 2006, the equity to non-current assets ratio has remained very safe (around 7).

IPOPEMA TFI

As at December 31st 2007, the main item of the company's assets was cash (PLN 1,012 thousand or 66.1% of the balance-sheet total), while the main item of the company's equity and liabilities was equity (PLN 1,436 thousand or 93.7% of the balance-sheet total). As at December 31st 2008, the main item of assets were current receivables of PLN 953 thousand (40.4% of the balance-sheet total), while the main item of equity and liabilities was equity of PLN 1,983 thousand (84.0% of the balance-sheet total).

8.2 Operating Result

Main Factors with a Bearing on Operating and Net Result

Launch and Development of Brokerage Activities

The Company launched its brokerage activities on October 27th 2006 and only then did it commence to generate revenue from brokerage activities. The increase in revenue from and results on trading in securities seen in 2007 is primarily attributable to the consistent increase in the Company's share in the trading volume on the WSE: from 5.2% in November and 7.0% in December 2006, to the average share of 8.41% over 2007, to 9.23% in 2008 (10.15% in H1 2008). This was possible thanks to the Company's employing a professional and efficient team of brokers and to the broadening of IPOPEMA Securities' client base through signing agreements with a gradually growing number of investors. On the other hand, the increasing volume of trades in securities brought about an increase in fees earned by capital market institutions.

Transfer of the Investment Banking Business from Dom Inwestycyjny IPOPEMA to IPOPEMA Securities and the Growth of the Business

In 2005 and the first three quarters of 2006, a significant part of the revenue from investment banking services was generated by Dom Inwestycyjny IPOPEMA. Then, in October 2006, the operations of Dom Inwestycyjny IPOPEMA were effectively transferred to IPOPEMA Securities. Another factor with a material bearing on the operating result was the Company's increased activity in offering and trading of securities in 2007. In 2007 IPOPEMA Securities performed seven public offerings (two initial public offerings and five rights issues), while in 2006 the Company was involved in two successful initial public offerings and one rights issue. Moreover, in 2007 the value of the projects conducted by the Company soared: from PLN 113m in 2006 to PLN 949m.

Cost Increase Attributable to the Company's Growth

In mid-2006, the scale of Company's operations significantly increased due to the launch of brokerage activities and the Research Office, transfer of Dom Inwestycyjny IPOPEMA's team to IPOPEMA Securities, as well as the establishment and development of support divisions (Compliance, Settlement, HR and IT Divisions), which resulted in the Company's headcount growing from five at the end of 2005 to 34 at the end of 2006, 44 at the end of 2007 and 43 at the end of 2008 (46 at the end of H1 2008). The larger scale of operations brought about an increase in salaries and wages, costs of IT infrastructure and lease of office space.

Favourable Cost Structure and Low Fixed Costs

Approximately half of the Company's operating expenses (50.6% in 2007 and 50.0% 2008) represents salaries and wages, dominated by the bonus component. To date, bonuses have been determined on a discretionary basis. The value of bonuses changes and is linked to the performance of the Company's individual departments.

Transaction costs represent another important cost item, and include fees payable to capital market institutions (with the share in total cost and expenses of 36.6% in 2007 and 29.0% in 2008). The value transaction costs primarily depends on the value of trades in securities executed on the secondary market.

Apart from salaries and wages, and transaction costs, other cost and expenses have remained relatively low and represented 6.3% of revenue in 2007 and 13.2% in 2008.

High Financial Expense

In connection with its activity on the secondary market, the Company is obliged to secure sufficient contributions to the Guarantee Fund upon the closing of each session day. During the analysed period, contributions to the Guarantee Fund were higher than the contributions paid now, because of the change in the algorithm for computing the mandatory contributions. From the launch of its business to August 2007, the Company used internally generated funds and occasionally short-term debt financing, often more expensive than bank financing, to fund the contributions. Since September 2007, the Company has been financing the contributions with a credit line advanced by Kredyt Bank (see Section 12.3). Total interest expense amounted to PLN 1,675 thousand in 2007 and PLN 503 thousand in H1 2008.

Favourable Market Conditions until mid-2007 and Economic Slowdown in H2 2007 and 2008

The improvement of the Company's results in 2007 relative to 2006 was also driven by external factors, such as the good macroeconomic situation in Poland, the favourable climate on the WSE, investors' increased activity and the growing value of trading on the WSE (from PLN 339bn in 2006 to PLN 479bn in 2007), as well as the increase in the number and average value of public offerings.

The Polish economy has grown dynamically in recent years. GDP grew by an average of 4.9% annually in 2004–2006. The good situation on the equity market made the WSE a more attractive venue for raising capital. Moreover, the falling unemployment and growing salaries boosted the value of contributions to open-end pension funds and stimulated the public's interest in various forms of investing. All this, accompanied by

attractive returns then offered by the equity market, translated into higher inflow of monies to investment funds and a higher level of retail investors' direct investments on the market. Low interest rates further added to the attractiveness of investing in equities.

Since July 2007, the conditions on the WSE and global markets have been deteriorating. The drop in stock prices has been accompanied by lower trading values, while investors, both institutional and retail, have been mainly selling down their assets. This, as well as the continuous outflow of monies from investment funds, has crippled interest in public offerings. The 2008 bear market contributed to lower revenues (27.1% down on revenues from securities trading and 86.5% down on investment banking revenues).

Moreover, the current financial crisis and the significant tightening of banks' lending policies have had an adverse effect on the M&A market.

Pricing of Brokerage and Investment Banking Services

The level of commissions and the rules of structuring service fees are attractive. Under the Company's current policy of charging fees whose significant portion is based on the value of executed transactions, any increase in the Company's activity on or share in the secondary securities market, as well as any growth in the scale of investment banking transactions would translate into higher revenues.

New Investor in the Company

In 2006, the Company was joined by Manchester Securities Corp., a member of the Elliott group. The new investor acquired new issue shares and came to hold a 30% interest in the Company's share capital. Proceeds from the capital increase enabled the Company to finance the expenditure required to launch brokerage activities and secured sufficient capital necessary for conducting the brokerage business. The involvement of the renowned international institution also confirmed IPOPEMA Securities' reliability and facilitated the establishment of the Company's cooperation with clients seeking reputable brokers.

Launch of IPOPEMA TFI

IPOPEMA TFI was established in March 2007. However, as the investment fund company had to obtain the statutorily required license from the PFSA, the operations were launched only in September 2007. Consequently, in 2007 IPOPEMA TFI generated total revenue (on opening and managing funds) of PLN 249 thousand, while incurring costs related exclusively to the company organisation, salaries and wages, and lease of office space; this in a net loss of PLN 1,278 thousand. In 2008, IPOPEMA TFI's total revenue was PLN 4,420 thousand (in H1 2008: PLN 1,706 thousand), while net profit amounted to PLN 261 thousand (in H1 2008: PLN 189 thousand). It is worth noting, though, that, given the fact that the disclosure of revenue from the newly opened funds is delayed, the complete effect of such new funds on IPOPEMA TFI's revenue is seen only in the calendar year following the year of opening the funds.

Information on Any Governmental, Economic, Fiscal, Monetary or Political Policies that Could Materially Affect the Company's Operations

Following Poland's accession to the European Union, in 2005 the regulations governing the rules of conducting public offerings were amended, including the regulations regarding the scope and manner of presentation of information in issue prospectuses. At present, companies registered in the EU member states, intending to carry out a public offering in Poland, may submit their issue prospectuses to their respective competent authorities, and, following their approval, are subject to a quick and simplified admission procedure at the Polish Financial Supervision Authority. This possibility, along with the favourable conditions on the WSE, attracted considerable interest from foreign companies willing to carry out public offerings in Poland and float their securities on the WSE. In May 2007, IPOPEMA Securities successfully led the initial public offering of Automotive Components Europe S.A., a company registered in Luxembourg.

A change in the algorithm for computation of mandatory contributions to the Guarantee Fund, which took effect in June 2007, significantly reduced the amount of the Company's contributions to the Polish NDS, thus considerably lowering its costs related to the financing of obligations towards the Guarantee Fund. Another change in the algorithm planned for 2009 may increase the amount of the Company's mandatory contributions to the Guarantee Fund, forcing the Company to use its credit facilities to a larger extent.

Since September 2007, the Company has financed the contributions to the Guarantee Fund using credit facilities with variable interest rates. Therefore, any change in the interest rates has an effect on the level of the Company's financial expense. Following a series of interest rate increases by the Monetary Policy Council from September 2007 to mid 2008, the reference interest rate of the National Bank of Poland grew from 4.75% to 6%. Since June 2008, interest rates have been cut five times, which reduced the reference interest rate of the National Bank of Poland to the current level of 3.75%. Any future changes in the interest rates will affect the expenses related to the financing of contributions to the Guarantee Fund.

The regulatory framework of the capital market is also undergoing changes; for instance, in January 2009, amendments to the Polish Offering Act took effect. The Act governs, among other things, the detailed rules and the procedure for execution of public offerings of financial instruments, which is one of the key areas IPOPEMA Securities' business. At the same time, amendments to the Investment Funds Act took effect. The Act regulates the functioning of investment funds, which is the domain of IPOPEMA TFI. However, significant as the Acts and the amendments may be, as a rule they should not materially affect the nature or scale of the brokerage activities.

Apart from the above Acts, the amended Act on Trading in Financial Instruments is to take effect in the near future. The Act regulates, among other things, the principles of and requirements for the operation of brokerage houses. The date of the Act's entry into force is difficult to determine, as it was

referred by Poland's President to the Constitutional Court, in order to examine whether some of the Act's provisions are consistent with the Polish Constitution. It is in the interest of the participants of the capital market that the Act takes effect as soon as possible. The provisions of the Act on Trading in Financial Instruments are closely linked to other Acts which have already been implemented, particularly the Public Offering Act, therefore any delay in the adoption of the amended Act may cause formal and legal issues in connection with the application of certain provisions of such Acts. In addition, the entry into force of the Act on Trading in Financial Instruments is of material importance for Poland's compliance, as an EU member state, with the obligation to implement the EU directives, in particular Directive 2006/48/EC and Directive 2006/49/EC, which will have an effect on, among other things, the computation of capital requirements for brokerage houses, and – consequently – their capital needs, and the scope and form of information to be provided to competent authorities and the public. It is difficult to clearly assess the effect of these Directives on the Company's operations as the legislative process is not completed and the final shape of secondary legislation to the Act on Trading in Financial Instruments is not known yet.

Apart from the above Directives, Poland also needs to implement MiFID, a package of the EU laws comprising Directive 2004/39/EC, Commission Directive 2006/73/EC and Commission Regulation (CE) No. 1287/2006. The implementation of MiFID is conditional on the entry into force of the Act on Trading in Financial Instruments. Although these regulations are of significant relevance for the Company as they define organisational requirements and conditions for the operation of brokerage houses, and therefore impose a number of new obligations and requirements on brokerage houses in this respect, they should not have any effect on the nature and scale of the Company's operations.

Material Changes in the Company's Revenue

In 2005, the scale of Company's operations was limited and the Company did not generate any revenue. The 2006 sales revenue originates from the transfer of operating activities from Dom Inwestycyjny IPOPEMA to IPOPEMA Securities, and successful launch of the brokerage activities in Q4 2006. The Company recorded a significant rise in revenues, from PLN 10,385 thousand in 2006 to PLN 80,877 thousand in 2007, on account of a larger scale of the Company's brokerage activities, and the recognition, in the 2007 accounts, of revenue from brokerage activities for twelve months, whereas the 2006 accounts only showed revenue from brokerage activities for two months. The revenue grew also in connection with the higher value of the public offerings executed by IPOPEMA Securities in 2007 relative to 2006. Less favourable conditions on the WSE in H2 2007, and the resulting significantly lower trading volume on the secondary market and considerably smaller number of public offerings carried out at the Warsaw Stock Exchange squeezed the revenue posted by the Company. In 2008, the Company's total revenue was PLN 49,219 thousand, down by 39.1% from the 2007 figure, when total revenue was PLN 80,877 thousand.

Non-Recurring Events Materially Affecting the Company's Performance

There are no non-recurring events other than those described above that would materially affect the Company's performance in the discussed period.

8.3 Capital Resources

IPOPEMA Securities Cash Flows

(PLN'000)	2005	2006	2007	Jan-Jun 2007	Jan-Jun 2008
Cash flows from operating activities	-37	-1,264	21,536	10,203	7,433
Cash flows from investing activities	-	-2,245	-3,454	-401	-1,871
Cash flows from financing activities	700	11,322	5,554	-2,017	-2,903
Total cash flows	663	7,813	23,636	7,785	2,659

In H1 2008, cash flows from operating activities amounted to PLN 7,433 thousand, and were lower than net profit due to creation of provisions and valuation allowances (despite the fact that the growth in current receivables failed to offset the rise in current liabilities).

In 2007, cash flows from operating activities amounted to PLN 21,536 thousand, and were lower than net profit due to the fact that the growth in current receivables was not compensated for by the change in current liabilities related to transactions executed by the Company. A higher growth in receivables was primarily driven by an increase in contributions to the Guarantee Fund and a rise in receivables from clients in connection with ongoing equity transactions. Negative cash flows from operating activities in 2006 were mainly attributed to lower net profit, combined with relatively high change in receivables and liabilities connected with securities trading. In 2005, when the scale IPOPEMA Securities' operations was significantly smaller, the Company recorded negative cash flows from operating activities of -PLN 37 thousand.

In connection with the commencement of brokerage activities in 2006, the Company had to incur capital expenditure on the necessary IT infrastructure (hardware and software), which resulted in negative cash flows from investing activities of PLN 2,245 thousand. In 2007, negative cash flows from investing activities were related primarily to the increase in the share capital of IPOPEMA TFI by PLN 2,700 thousand in total. Similarly, in H1 2008, negative cash flows from investing activities were attributed to another increase in IPOPEMA TFI's share capital by PLN 300 thousand, purchase of investment certificates in funds managed by IPOPEMA TFI for a total amount of PLN 600 thousand, as well as expenditure on software and IT systems of PLN 775 thousand and expenditure on hardware and office equipment of PLN 196 thousand.

In 2006, positive cash flows from financing activities were primarily driven by proceeds from the issue of the Company shares acquired by Manchester Securities Corp. and Mr Jacek Lewandowski, in a total amount of PLN 9,305 thousand, and a current loan of PLN 2,000 thousand for the financing of investments related to the commencement of brokerage activities. Negative cash flows from financing activities in 2007 and H1 2008 were mainly caused by the repayment of loans and borrowings. In 2005, positive cash flows from financing activities were attributed to payment for the share capital.

IPOPEMA TFI Cash Flows

Due to the fact that IPOPEMA TFI posted net loss, its cash flows from operating activities in 2007 were negative, at -PLN 1,630 thousand. In connection with IPOPEMA TFI's expenditure on non-current assets, the company recorded negative cash flows from investing activities of -PLN 83 thousand in that period. Cash flows from financing activities amounted to PLN 2,725 thousand, which followed from payment for IPOPEMA TFI's share capital by the Company. In 2008, IPOPEMA TFI posted cash flows from operating activities of -PLN 329 thousand. Further investments in non-current assets led also to negative cash flows from investing activities of -PLN 144 thousand. Thanks to the fact that in 2008 the Company made an additional equity contribution to IPOPEMA TFI of PLN 300 thousand, IPOPEMA TFI recorded positive cash flows from financing activities of PLN 329 thousand.

Sources and Structure of Financing, and Requirement for Loans

As at June 30th 2008, IPOPEMA Securities did not have any non-current liabilities, and its current liabilities stood at PLN 267,111 thousand, representing 86.1% of total assets, the major part of which were liabilities related to securities trading (liabilities to clients and other brokerage offices). As at the end of H1 2008, the Company's equity was PLN 41,255 thousand, and represented 13.3% of the balance-sheet total.

In connection with its activities on the secondary market, the Company is required to contribute a certain amount of funds to the Guarantee Fund after the close of each trading day. The amount of such contributions depends on the difference between the values of buy and sell transactions executed by the brokerage office, and is calculated for each type of securities separately on the basis of the risk rating set by the Polish NDS (based on the average one-, two- and three-day volatility of securities in the preceding 90 days, weighted with the trading volume). Since June 2008, i.e. the date of introduction by the Polish NDS of a new algorithm for the computation of the contribution to the Guarantee Fund to be made by each member of the Polish NDS, the payments made by the Company to the Fund have been substantially reduced.

Since the start of its business, the Company has made contributions to the Guarantee Fund using internally generated funds, and – temporarily – using short-term debt financing, which is more expensive relative to bank financing. Since September 2007, IPOPEMA Securities had two open credit facilities at Kredyt Bank for a total value of PLN 80,000 thousand (in the first twelve months), of which a PLN 70,000 thousand credit facility was used for the contributions to the Guarantee Fund, and a PLN 10,000 thousand credit facility was dedicated for transaction settlements at the Polish NDS. In July 2008, the Company reduced the maximum amount of the credit facilities to PLN 70,000 thousand (with PLN 50,000 thousand being dedicated for contributions to the Guarantee Fund, and PLN 20,000 thousand – for settlements with the Polish NDS). As concerns the first

credit facility, after the close of each trading day, the bank provides sufficient funds in the Company's account, charging interest at the WIBOR rate plus the bank's margin. From the moment of the first credit facility was opened (until the end of Q1 2009), the average amount outstanding under the facility was PLN 8,689 thousand (minimum amount: PLN 1,682 thousand, and maximum PLN 25,114 thousand). Since the date of its opening, i.e. September 2007, the second credit facility was used only once when PLN 2,714 thousand was drawn (all other settlements with the Polish NDS were financed using internally generated funds). The loan agreement with the terms as indicated above was valid until July 22nd 2008, and was extended for another twelve months. The Company intends to continue using the services of Kredyt Bank, and to extend the loan agreement for another 12 months following July 22nd 2009.

The open credit facilities greatly improve the Company's flexibility, particularly with regard to the policy of investing in new types of activities, and possibilities of shaping the dividend policy going forward. Additionally, they protect the Company against significant increases in the mandatory liabilities to the Polish NDS, which could follow from changes in the calculation of mandatory payments to the Polish NDS in the future, or increased scale and changed structure (buy-sell) of the transactions executed by the Company.

Apart from the above credit facility, the Company does not have any other requirements for loans which would be necessary for funding its operating activities.

Restrictions on Using Capital Resources

As regards the credit facility at Kredyt Bank, dedicated for transaction-related settlements, the Company was obliged to pay PLN 10,000 thousand of internally generated funds to its transaction account for the purpose of making current settlements with the Polish NDS. In addition, the second credit facility at Kredyt Bank, dedicated for the purposes related to the Guarantee Fund, was secured with internally generated funds of PLN 10,000 thousand, which were deposited at Kredyt Bank on market terms for the duration of the loan agreement.

As a licensed brokerage house, IPOPEMA Securities S.A. is obliged to comply with capital adequacy requirements. Detailed rules for the computation of minimum capital adequacy ratios for entities which conduct brokerage activities are set forth in the Regulation of the Finance Minister concerning the extent and detailed rules of defining capital requirements for brokerage houses and maximum amounts of credits, loans and debt securities issues, relative to equity, dated April 14th 2006 (Dz. U. of 2006, No. 67 item 479). As at the date of this Prospectus, the Company meets all capital adequacy requirements stipulated by this Regulation. In view of the expected implementation of Directive 2006/49/EC on the capital adequacy of investment firms and credit institutions of June 14th 2006, and Directive 2006/48/EC relating to the taking up and pursuit of the business of credit institutions of June 14th 2006, we expect that the regulations concerning compliance with capital adequacy requirements by entities which conduct brokerage activities will be amended.

8.4 Investments

Presented below is the information on all capital expenditure incurred by the Company in the period covered by the historical financial information.

	2005	2006	2007	Jan-Jun 2007	Jan-Jun 2008
Investment in non-current assets	-	1,437	368	236	196
Investment in intangible assets	-	807	386	165	775
Total investment	-	2,244	754	401	971

In 2005, the Company's operations were limited and as a result the Company did not make any investment in that year. In 2006, the Company's capital expenditure totalled PLN 2,244 thousand, of which PLN 1,437 thousand accounted for the expenditure on IT, hardware and technical equipment, while PLN 807 thousand covered expenditure on the transaction platform and other software. In 2007, the aggregate capital expenditure was PLN 754 thousand (PLN 386 thousand on hardware and PLN 386 thousand on software). The capital expenditure was mainly related to the development of the brokerage business and the headcount increase. In H1 2008, capital expenditure of IPOPEMA Securities was PLN 971 thousand, which consisted in expenditure on software and IT systems (PLN 775 thousand) and hardware and office equipment (PLN 196 thousand).

Later, in H2 2008, the Company's capital expenditure on software was PLN 799 thousand, and PLN 367 thousand on IT infrastructure. In 2009, by the date of the Prospectus, the capital expenditure of IPOPEMA Securities has been PLN 89 thousand on software and PLN 35 thousand on hardware.

In March 2007, IPOPEMA Securities established IPOPEMA TFI, covering its share capital with PLN 1,000 thousand. In July 2007, IPOPEMA Securities increased the share capital of IPOPEMA TFI by PLN 1,000 thousand by changing the par value per share from PLN 1 to PLN 2. The share capital was paid up in full. In November 2007 and in May 2008, IPOPEMA Securities made a further share capital increase at IPOPEMA TFI, by PLN 700 thousand and PLN 300 thousand, respectively, by changing the par value per share to PLN 2.70 and PLN 3, respectively. In addition, the Company acquired investment certificates in funds managed by IPOPEMA TFI amounting to a total of PLN 600 thousand. In July 2008, the Company established IPOPEMA Business Consulting, covering its share capital with PLN 3,000 thousand in exchange for 100% of shares.

In 2007, the capital expenditure of IPOPEMA TFI totalled PLN 83 thousand and in H1 2008 it was PLN 56 thousand. In the period July–December 2008 and in 2009 by the date of the Prospectus, the aggregate capital expenditure of IPOPEMA TFI was PLN 88 thousand and PLN 18 thousand, respectively. The expenditure mainly covered purchase of hardware, software and office infrastructure.

In connection with the commencement of operations of IPOPEMA Business Consulting, capital expenditure incurred by that company by the end of 2008 and in 2009 by the date of the Prospectus totalled PLN 44 thousand and PLN 43 thousand, respectively. The expenditure mainly covered purchase of hardware, software and office equipment.

Considering the nature of the IPOPEMA Group's operations and its strategy, the Group's investments are mainly related to the development of IT infrastructure, including in particular upgrade of security systems, enhancement of the infrastructure's efficiency, and the purchase of computer stations and software in connection with creation of new jobs and replacement of IT equipment with newer models. Furthermore, the Company incurs the costs related to adapting the existing IT solutions to the planned launch of operations on the stock exchanges in Budapest and Prague. These investments are covered with the Company's own funds.

The Company is currently analysing the potential scope and value of its capital expenditure in 2009, but has not undertaken any final obligation concerning future capital expenditure.

8.5 Information on Trends

Most Significant Recent Trends Since the End of the Last Financial Year

Following the decline in equity valuations in January and February (in total, down by 20.3% as at the end of February 2009 over the end of December 2008), in March the downward trend reversed – as at the end of Q1 2009 the WIG index was 11.7% below its close in 2008. Q1 2009 also saw an increase in the value of the monthly trading volume on the WSE equity market – by PLN 18.6bn in January, PLN 21.4bn in February and PLN 23.9bn in March; but these values were down by 30.6%, 20.1% and 10.8%, respectively, on the 2008 average of PLN 26.8bn. In Q1 2009, three companies debuted on the WSE (one of which had been transferred from the NewConnect market), with the aggregate value of their share offers amounting to PLN 7.3m¹. As a result of a fall in share prices in the first two months of 2009, with a negative balance of payment for shares and share redemptions (-PLN 0.3bn in January, -PLN 1.1bn in February and -PLN 0.8bn in March), as at the end of Q1 2009 the value of IPOPEMA TFI's assets shrank to PLN 69.5bn (from PLN 77.3bn as at the end of December 2008).²

In Q1 2009, the Company's share in the trading volume of the WSE equity market was 7.93% in January, 8.77% in February and 8.87% in March, which ranked the Company fourth on the market in each month.

In January–March 2009, the Company did not report any material changes in the costs of its operations.

In Q1 2009, one IPOPEMA TFI fund was registered, which brings the number of funds currently managed by IPOPEMA TFI to 33, with an aggregate value of assets of PLN 1,204m (as at the end of March 2009). This represents a 15.4%³ market share within the Company's peer group (companies specialising in managing close-end funds without own retail distribution network).

Anticipated Factors, Uncertainties or Events That Are Likely to Have an Effect on the Company's Future Financial Performance

In addition to the anticipated factors, uncertainties or events that are likely to have an effect on the Company's future financial performance, the risk factors discussed in Section 3.1 of this Prospectus must be taken into consideration.

Market Conditions

The future financial performance of IPOPEMA Securities will be influenced by such factors as the general macroeconomic conditions, situation on the WSE and global stock exchanges, investors' sentiment, turnover volumes and issuers' willingness to conduct equity offerings on the WSE. However, the Company is not able to predict how these factors will change in future. On the one hand, the return of an economic upswing and an improvement in the situation on the WSE will have a positive bearing on the main areas of IPOPEMA's operations and its financial performance. On the other hand, further decline in the macroeconomic conditions, a decrease in turnover volumes and lower valuation of WSE-listed companies, as well as companies' reduced readiness to raise financing on the capital market can affect the Company's revenues and financial performance.

Since mid-2007, the conditions on the WSE and the global markets have been deteriorating. The current bear market is one of the most severe in the history and has been triggered by the collapse of the real estate market in the United States, which turned into a global financial crisis. The negative trends on the WSE were further aggravated by the burst of the speculative bubble on the market of small and medium-sized companies and developers. Despite of the fact that in view of the global statistics the current downturn is considered a relatively long phenomenon, it cannot be predicted how the situation on the capital market will be shaped in the immediate future.

Due to the global economic slowdown, it is expected that the Polish GDP growth will also be affected. While the recent forecast of the National Bank of Poland for 2009–2010 predict a GDP growth rate of 1.1% and 2.2%, respectively, it is not uncommon for economists to believe that the GDP growth rate in 2009 will be even lower. In addition, the National Bank of Poland's forecast predict a rise in the unemployment rate (to 12.1% and 13.1% in 2009 and 2010, respectively) and a lower real growth rate of salaries (by 3.9% and 2.1% in 2009 and 2010, respectively). Other negative factors that may affect the WSE within the next few months include further rises of interest rates in Poland, an increased risk of further deterioration of the situation on global markets, as well as a continuing global economic slowdown.

Unfavourable conditions on the financial market contributed to the limited availability of bank loans, which was reflected in a reduced number of M&A transactions. If the situation on the financial markets improves and if banks become more active in their lending operations, it can be expected that the M&A market would pick up momentum (in both the corporate and private equity segments), especially that low equity valuations decrease the valuations of private companies and they constitute an additional incentive to acquire the listed companies.

¹ Source: WSE

² Source: Analyz Online

³ Source: IPOPEMA TFI based on the data prepared by IZFiA

Consolidation of IPOPEMA Securities' Position on the Secondary Market

Given that the Company's brokerage division has operated on the market only since November 2006, and also that the current IPOPEMA Securities team achieved the highest market share in stock-exchange transactions by rendering its services in the highest number of transactions executed on the WSE in 2003–2005, it is expected that in the future the Company will continue to consolidate its market position.

Further consolidation of IPOPEMA Securities' position on the secondary market should mitigate the negative effect of reduced monthly trading volumes on the WSE equity market. The Company has already executed agreements with all major financial institutions in Poland and in the near future it expects to execute additional agreements on equity brokerage services with new foreign clients that are active investors on the WSE. In order to win those clients and increase its share in the trading volume on the WSE, the Company has been enhancing its offering for institutional investors through such measures as mass roll-out of the FIX protocol used to support communication between the broker and the client; further expansion of the Research Office's range of services; and the development of research products tailored to the needs the Company's clients.

Moreover, in December 2007, to diversify its product mix, the Company entered into the WSE-listed futures market, whose size (at net value of commissions) in 2008 is estimated by the Management Board at PLN 70m. Adding futures to the Company's product mix did not require incurring any significant capital expenditure or hiring new brokers. The services related to futures contracts are mainly addressed to domestic institutional investors. The Company's objective is to achieve a significant market share, which at the moment is still immaterial because the Company does not operate investment accounts. The existing model of trading in futures contracts used by financial institutions in Poland has relied on executing transactions in contracts placed directly with brokerage offices handling the clearing processes and margins. Currently, more and more custodian banks, in addition to executing transactions in derivatives, also offer their services related to effective margin management. Considering the benefits resulting from the use of such a solution by investors (including IPOPEMA Securities clients), the Company intends to increase its activity in rendering agency services on this market.

Launched in February 2009, the Market Making and Proprietary Trading Department will enable the Company allow to derive revenues from arbitrage transactions in shares and futures contracts on the Company's account.

Execution of Public Equity Offerings

The current market conditions are hardly conducive to launching public equity offerings, including IPOs, on the Warsaw Stock Exchange. If this continues, the number of such offerings may prove limited in 2009. If, on the other hand, the situation on the WSE becomes more stable and the positive optimistic returns, the Company, in consultation with its clients, may resume transactions suspended in 2008, and will also carry on the marketing activities aimed at securing mandates for new public equity offerings.

Building Up the M&A Expertise

In its efforts to increase the number of M&A transactions, the Company has built up its relevant capabilities by hiring new employees with extensive expertise in the field. The Company seeks to ensure that revenue from M&A advisory services would represent a major portion of investment banking revenues.

Development of IPOPEMA TFI's Operations

In response to a strong demand from investors, by the end of April 2009 IPOPEMA TFI created 33 funds and obtained authorisations to establish further nine. Also, IPOPEMA TFI has filed two requests with the Polish Financial Supervision Authority for approval of opening more new funds. Provided that such approval is granted, the existing and new funds managed by IPOPEMA TFI ought to secure in total approx. PLN 1.5bn-worth of assets by the end of 2009 (as at the end of Q1 2009, the aggregate value of assets under management by IPOPEMA TFI was PLN 1,204m). The core component of IPOPEMA TFI's revenue stream is represented by management fees whose amount depends on the number of funds and the value of assets under management. Other revenue components include fees charged for the creation of new investment funds and success fees based on the performance of selected managed funds, which are potentially to receive, apart from direct (external) investments, a portion of gains earned by participants of IPOPEMA TFI's in dedicated funds. The expansion of IPOPEMA TFI's operations within the next two years should be accompanied with only a slight increase in operating expenses, which – assuming that the target value of assets under management is achieved – will largely improve the 2009 financial performance and significantly contribute to the IPOPEMA Group's performance.

Launch of the New Incentive Scheme

On December 5th 2007, the Extraordinary General Shareholders Meeting adopted a resolution (amended by a resolution of the General Shareholders Meeting of March 20th 2009) concerning the adoption of the Incentive Scheme, which is based on options to acquire the Company shares, offered to current and future employees and associates of the IPOPEMA Group. The idea behind the Incentive Scheme is to encourage long-term commitment of the IPOPEMA personnel, to reduce employee turnover, and to attract new competent staff. In line with the assumptions of the Incentive Scheme, within the next ten years the maximum dilutive effect of share options allotted under the Incentive Scheme in the next five years on IPOPEMA Securities shareholdings will be 17%.

Expected Changes in the Algorithm for Computing Fees Payable to the Polish NDS

Due to changes in the algorithm for computing the amount of mandatory contributions to the Guarantee Fund, effected in June 2007, the amounts drawn under a credit facility are relatively low. Another modification in the algorithm is planned to occur in the first half of 2009. Since the details of the modification are not yet known, it is impossible to assess the impact of the intended modification on the amount of contributions to the Guarantee Fund or on the utilisation of the credit facilities in future.

Launch of Brokerage Operations on the Stock Exchanges in Budapest and Prague

In May 2008, the Company was granted the status of a remote member of the Budapest Stock Exchange and has taken steps to secure remote membership of the Prague Stock Exchange. IPOPEMA Securities intends to launch its brokerage activities on the Hungarian and Czech stock-exchange markets in the first six months of 2009 and by the end of 2009, respectively. The Company plans to diversify its offering by adding services involving the intermediation in equity trading on the stock exchanges in Budapest and Prague in order to provide its clients with a more comprehensive service mix and to increase the volume of transactions executed on foreign markets. The expected outcome of offering a comprehensive service package on the three major stock markets in Central and Eastern Europe will be an increased volume of transactions executed by foreign clients (including transactions on the WSE) and by Polish investors who tend – more than ever – to examine investment opportunities in a regional context. The full effects of expanding the Company's offering will probably be felt after operations are launched on the stock markets in Budapest and Prague since the comprehensive intermediation service covering three different markets will enable IPOPEMA's clients to execute their orders anywhere in the region. An additional competitive advantage gained by IPOPEMA Securities will be the possibility of providing its clients with an option to track orders and trades with the use of the FIX protocol. Also, IPOPEMA's Research Office will cover several Czech- and Hungarian-based companies whose stocks account for the majority of trades. This will allow the Company to draft reports covering selected sectors (e.g. banking, oil or telecommunications sectors) in the entire region.

Launch of Operations by IPOPEMA Business Consulting

In July 2008, the Company formed IPOPEMA Business Consulting Sp. z o.o. which launched its business activities towards the beginning of 2009. IPOPEMA BC provides strategic advisory services and consultancy services related to creating, implementing and streamlining key business processes. The Company's Management Board is of the opinion that extensive consultancy expertise and the long-term experience of IPOPEMA BC's staff should enable the company to win new clients and turn in profits in the next few months.

Change of the Accounting Standards Applied by the Company

In the periods covered by the historical financial information, the Company prepared its accounts in accordance with the Polish Accounting Standards. Starting from 2009, the Company will be preparing consolidated financial statements covering the entire IPOPEMA Group, and the International Financial Reporting Standards will apply to such financial statements. In view of that, in accordance with the applicable rules, in measuring the consolidated net profit (loss) it will be necessary to take into account the costs resulting from the exercised share purchase options under the agreements referred to in Section 19.2 item II, as well as the costs related to vesting the Company Shares as part of the Incentive Scheme discussed in Section 19.2 item I. In particular, the values which will be recognised in the financial statements as cost of salaries and wages will follow from the difference between the valuation of the shares which have been or will be acquired by the eligible persons, and the fair value of the Company Shares. It is estimated that in 2009-2014 such costs will amount to approximately PLN 3.5-4m, and more than half of that amount will be charged to the IPOPEMA Group's consolidated net profit (loss) in 2009.

8.6 Significant Change in the Company's Financial or Trading Position

Since the launch of its business, in order to pay mandatory contributions to the Guarantee Fund, the Company has used internally generated funds and occasionally short-term debt financing, often more expensive than bank financing. Since September 2007, IPOPEMA Securities has had access to credit facilities advanced by Kredyt Bank (see Section 12.3), which largely improve the flexibility of the Company's operations, particularly when pursuing its strategy in the area of investments in new business segments and dividend policy for the coming years. Furthermore, funds available under the credit facilities constitute a safety net in case liabilities to the Polish NDS become higher due to possible future changes in the system of computing mandatory fees payable to the Polish NDS, or in case the volume of executed trades rises or the structure (buy-sell) of trades changes.

On September 13th 2007, IPOPEMA TFI obtained an authorisation from the Polish Financial Supervision Authority to operate an investment fund management company and to create first three investment funds; accordingly, IPOPEMA TFI was able to start marketing its asset management service, create new funds and generate its first revenues.

Less favourable conditions on the WSE in H2 2007, and the resulting significantly lower trading volume on the secondary market and considerably smaller number of public offerings carried out at the Warsaw Stock Exchange squeezed the revenue posted by the Company. In 2008, the Company's total revenue was PLN 49,219 thousand, down by 39.1% from the 2007 figure, when total revenue was PLN 80,877 thousand. In 2008, profit on core activities was PLN 18,328 thousand, down by 55.1% compared with PLN 40,849 thousand in 2007. The Company turned in net profit of PLN 12,526 thousand in 2008, which dropped by 56.3% from PLN 28,653 thousand in 2007.

9. FINANCIAL FORECASTS OR ESTIMATES

The Company has not published any forecasts of its financial results.

9.1 Assumptions for the Presented 2008 Estimates

The 2008 estimates presented below, comprising the condensed income statement, have been prepared based on the Company's accounts for the period January – November 2008 and on the data for December 2008 when the books for that month had not been closed yet. Events, including business transactions, were recognised in accounting books and disclosed in the estimates presented here according to their respective economic significance. The presented estimates are based on true and reliable information and the Company's best knowledge. For events of high probability not yet confirmed by accounting evidence, the Company has created appropriate provisions. The estimated data has also been prepared in accordance with the Polish Accountancy Act and the Company's accounting policies.

9.2 2008 Estimates

2008 Estimates

	(PLN '000)	2008
Total revenue		49,219
Operating profit		14,472
Pre-tax profit		15,850
Net profit		12,526

Detailed 2008 Estimates

	(PLN '000)	2008
Total revenue		49,219
Revenue from securities trading		47,013
Revenue from investment banking services		2,206
Costs of brokerage activity		30,891
Transaction cost		8,949
Salaries and wages, and employee benefits		15,457
Expenditure on IT infrastructure		674
Lease of office space		570
Contracted services, taxes and charges		1,889
Depreciation and amortisation		1,349
Marketing		875
Other		1,128
Profit (loss) on core activity		18,328
Gain on financial instruments held for trading/sale		620
Costs related to financial instruments held for trading/sale		3,103
Gain (loss) on transactions in financial instruments held for trading/sale		-2,483
Other operating income		177
Other operating expenses		299
Difference between provisions and impairment charges for receivables		-1,251
Operating profit (loss)		14,472
Financial income		3,158
Financial expenses		1,780
Profit (loss) before extraordinary items		15,850
Extraordinary gains		-
Pre-tax profit		15,850
Corporate income tax		3,324
Net profit		12,526

9.3 Auditor's Report on 2008 Estimates

Independent Auditor's Report on Estimated Results for the Management Board of IPOPEMA Securities S.A. of Warsaw, ul. Waliców 11, 00-851 Warsaw, Poland

We have performed verification of the estimated 2008 financial results of IPOPEMA Securities S.A., comprising financial results prepared as at February 2nd 2009 including estimates of income statement items for the period January 1st – December 31st 2008. The following selected income statement items have been subject to verification by us:

- Net revenue from sale of products, goods for resale and materials in the period January 1st – December 31st 2008, of PLN 49,219 thousand (forty-nine million two hundred and nineteen thousand zloty);
- Operating profit for the period January 1st – December 31st 2008, of PLN 14,472 thousand (fourteen million four hundred and seventy-two thousand zloty);
- Pre-tax profit for the period January 1st – December 31st 2008, of PLN 15,850 thousand (fifteen million eight hundred and fifty thousand zloty);
- Net profit for the period January 1st – December 31st 2008, of PLN 12,526 thousand (twelve million five hundred and twenty-six thousand zloty).

The estimated financial data was prepared for presentation in the Company's Issue Prospectus for prospective investors.

Our responsibility was, based on the tasks performed, to verify the financial data presented in the form of estimates for the period January 1st – December 31st 2008 and issue an opinion on these estimates.

Our tasks were performed in accordance with Professional Auditing Standard No. 5 issued by the National Board of Chartered Auditors and the International Standard on Assurance Engagements 3000. The tasks included assessments whether the estimated results were correctly determined based on the assumptions revealed, in consistency with the accounting policies adopted by the Issuer.

While it is the Issuer's Management Board that is responsible for the assumptions on which the estimated results are based, we report that nothing has drawn our attention which might indicate that any of the assumptions which, in our opinion, are material to the correct understanding of estimated results has not been revealed or appears unrealistic.

We planned and performed our tasks in such a manner as to collect information and explanations which we had deemed necessary to obtain a reasonable basis to issue an opinion on whether the estimates were correctly prepared based on the assumptions revealed. As the estimates and assumptions on which they are based refer to a reporting period which has not been finally closed and has not been covered by an audit by a qualified auditor, such estimates and assumptions are subject to change; therefore, we make no statement as to whether the actual results will match the respective estimates presented or whether the differences, if any, will be material.

In our opinion, the estimates, including figures for the period January 1st – December 31st 2008, were prepared correctly and the accounting policies applied in their preparation are consistent with the Company's accounting policies presented in the notes to the financial statements prepared by the Issuer for the reporting period ended June 30th 2008.

This report was prepared in accordance with the requirements stipulated in COMMISSION REGULATION (EC) No. 809/2004 of April 29th 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (Official Journal of the European Union L 149 of April 30th 2004) and is issued in the performance of those requirements.

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Anna Bernaziuk, Ph.D.
Qualified Auditor
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Member of the Management Board of BDO Numerica
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Warsaw, February 16th 2009

10. KEY MARKETS

IPOPEMA Securities operates on the broadly understood Polish capital market. A significant portion of its activity is concentrated on the Warsaw Stock Exchange (WSE). The Company intermediates in securities trading on the stock exchange, and its investment banking services are chiefly oriented towards public equity offerings and share floatations on the WSE. Furthermore, the Company provides M&A advisory to issuers already listed on the WSE as well as to non-listed companies. IPOPEMA TFI, a subsidiary of IPOPEMA Securities, is active on the investment funds market, with a particular focus on its closed-end investment funds segment. In addition, the Company intends to expand its brokerage business to include intermediation in trading on the Czech and Hungarian markets as a remote member of the stock exchanges in Prague and Budapest. Another Group company, IPOPEMA Business Consulting, operates on the market of business and IT consultancy, focusing on advisory services relating to strategy, operational management and IT management.

10.1 Warsaw Stock Exchange

Opened in 1991, the Warsaw Stock Exchange is the main equity trading platform in Poland. Accordingly, it is the key market for IPOPEMA Securities, on which the Company focuses a significant part of its activity – intermediation in trading in stocks listed on the WSE, advisory services to companies seeking floatation on the WSE, and preparation of secondary public offerings.

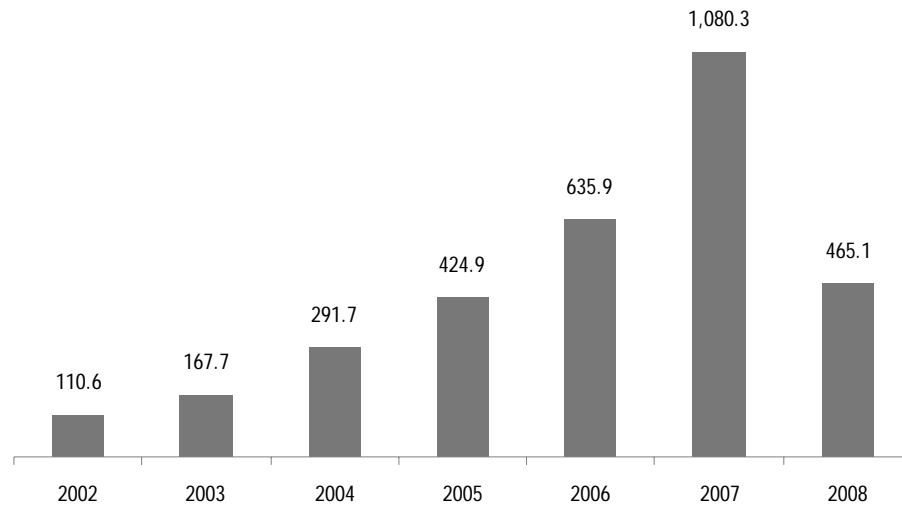
In recent years (until mid-2007), the Warsaw Stock Exchange had gone through a period of strong growth: good market conditions prevailed continuously from mid-2003, with only minor corrections, as evidenced by the 210.2% increase in the WIG index (in the period from January 1st 2004 to June 30th 2007). The continuous bull market on the stock exchange attracted both investors, tempted by high returns, and companies seeking capital to finance their development. Since the second half of 2007, the Warsaw Stock Exchange, like other exchanges globally, has been in a downturn: as at the end of 2008 the value of the WIG index was 51.5% lower relative to the end of 2007, and 59.7% lower in comparison with the peak of the bull market.

Chart 1. Performance of the WIG index in 2002-2008



Source: parkiet.com.

The total capitalisation of the companies listed on the WSE as at the end of 2007 was PLN 1,080bn (53% of which was attributable to foreign companies), and as at the end of 2008 the figure was down at PLN 465bn (with foreign companies representing 42.5% of this amount). This means that the total capitalisation of the WSE grew by 69.9% in 2007 compared with the end of 2006 (from PLN 636bn), and in 2008 fell by 56.9% relative to the end of 2007.

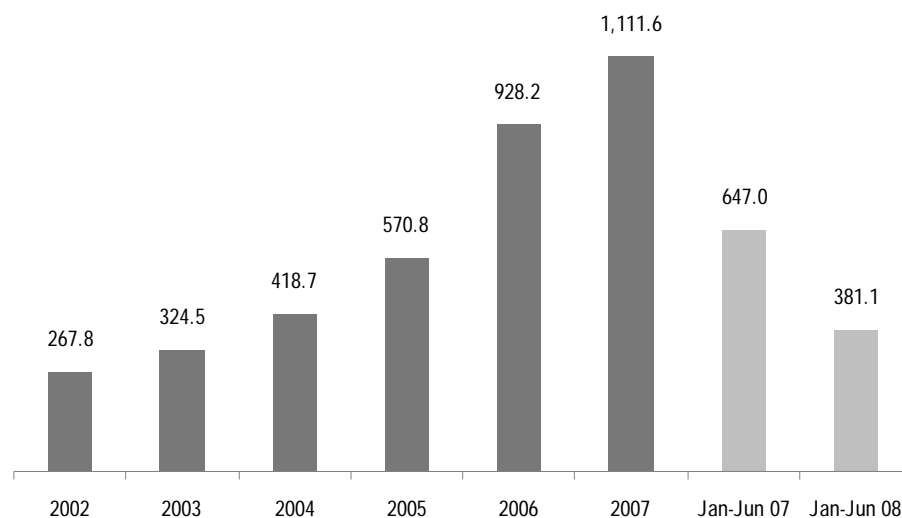
Chart 2. Capitalisation of the WSE in 2002-2008

Source: WSE

10.2 Market for Securities Brokerage Services

Trading Volumes

In 2007, the Polish market of securities brokerage services was valued at PLN 1,111.6m, having grown on average by 32.9% annually from 2002 (a particularly strong growth was seen in 2005, when the market expanded by 62.6%, from PLN 570.8m). In the first half of 2008, brokerage offices' total revenues from intermediation on the secondary market amounted to PLN 381m, down by 41.1% on the figure reported in the corresponding period of 2007 (PLN 647m).

Chart 3. Brokerage offices' revenues from securities brokerage fees and commissions in 2002-2007, H1 2007 and H1 2008 (PLN million)

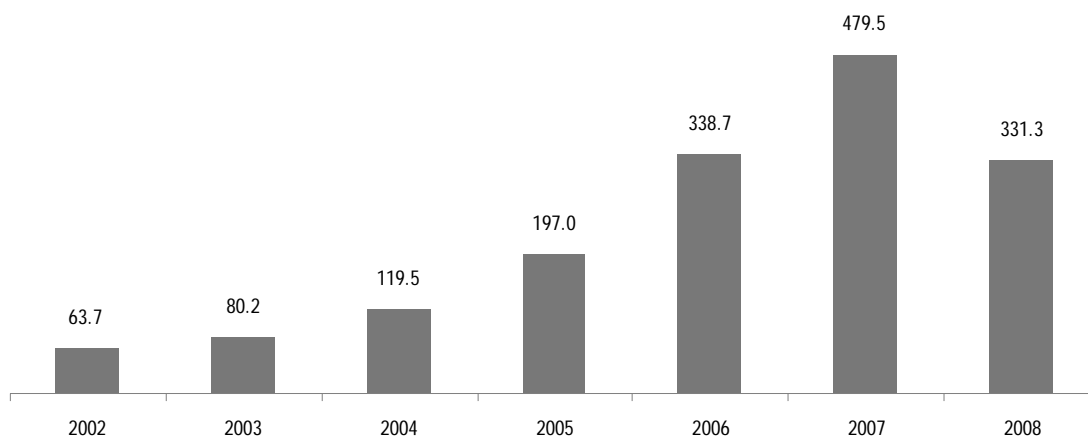
Source: Polish Central Statistics Office.

Such a substantial improvement in the securities trading revenues of brokerage offices and brokerage houses followed from the uptrend in the trading volumes on the WSE, which continued for a few years: the value of stock trading increased from PLN 119.5bn in 2004 to PLN 479.5bn in 2007. The growth in the number and value of trades executed on the WSE was fuelled by the favourable market environment, which translated

into a rise in the amount of assets invested in equities and increased activity of investors. As a result of the market downturn and fall in stock prices, in 2008 the value of trades executed on the stock market went down to PLN 331.3bn, or 30.9% relative to 2007.

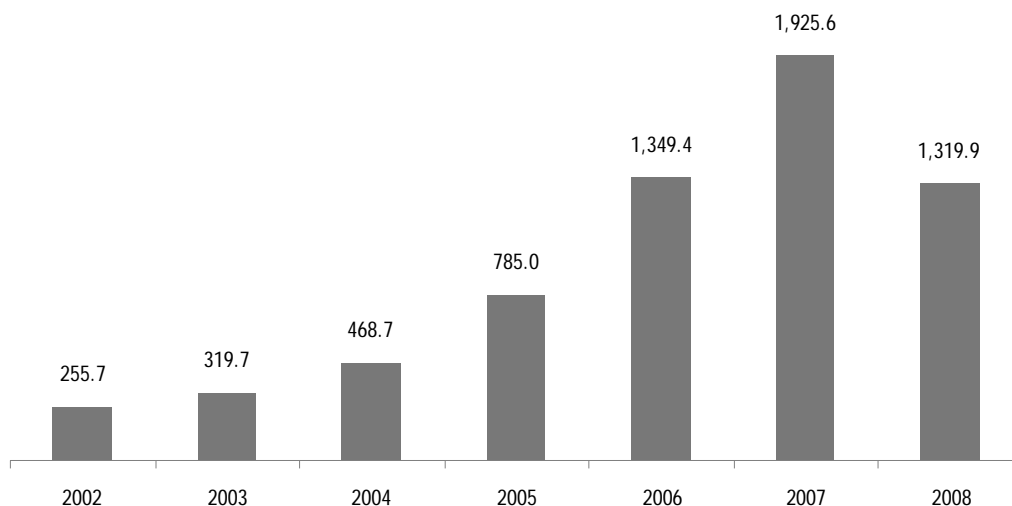
The growing annual value of trading on the WSE was accompanied by a significant rise in the average value of trading per session – up from PLN 256m in 2002 to PLN 1.3bn in 2006 and PLN 1.9bn in 2007. In 2008, when the market conditions were worse than in 2007, the average value of trading per session was PLN 1.3bn.

Chart 4. Total value of trading on the WSE in 2002-2008 (PLN billion)



Source: WSE.

Chart 5. Average daily value of trading on the WSE per trading session in 2002-2008 (PLN million)

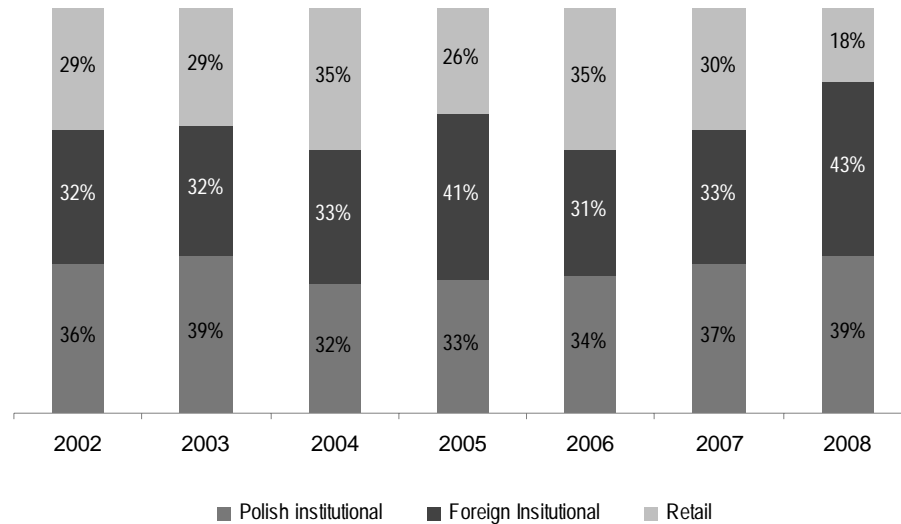


Source: WSE.

Key Investor Groups on the WSE

The growth in trading on the WSE was driven by the increased activity of all key groups of investors (Polish institutional investors, foreign institutional investors, and retail investors). Institutional investors (both Polish and foreign ones), who are the target of IPOPEMA Securities' offering, were the most active category of investors, with an over 80% share in trading on the WSE in 2007. The drop in their share from 74% in 2005 was not caused by lower activity of this investor group but by the rapid growth in trades by retail investors (whose interest in the stock exchange substantially rises in the periods of quick appreciation of stock prices on the WSE), and by the common access to online trading functionalities. The market slump in the second half of 2007, which continued in 2008, reduced the activity of retail investors: their share in the total trading on the WSE in 2008 fell to 18%.

Chart 6. WSE structure by groups of investors in 2002-2008



Source: WSE – a questionnaire-based survey conducted among domestic members of the WSE.

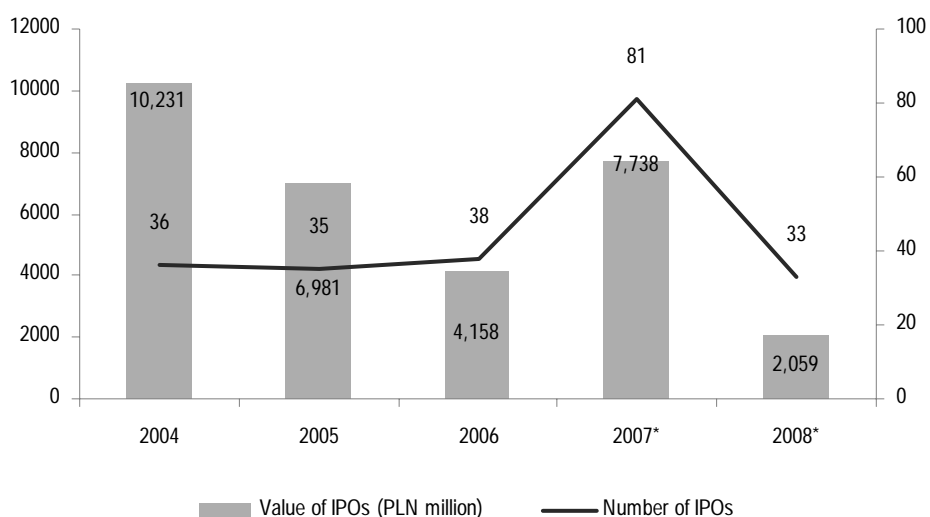
Another factor which contributed to the increase in the trading volumes of shares listed on the WSE was a huge inflow of cash to open-end pension funds and investment funds. In 2004-2006 and in the first half of 2007, the value of open-end pension funds' assets grew on average by approx. PLN 2.5bn a month (the effect of contributions and favourable market conditions on the value of assets). As at the end of the first half of 2007, the total value of open-end pension funds' assets amounted to PLN 138.3bn (37.7% of which was invested in equities). An even greater asset growth dynamics was seen in the case of investment funds. As their rates of return were much more attractive than those offered by bank deposits, this form of saving gained in popularity. In 2005 and 2006, the value of assets managed by investment fund companies soared by approx. 60% annually, and in the first half of 2007, as compared with the end of 2006, it grew by as much as 41%, to PLN 139.0bn. The declines in stock prices on the WSE in the second half of 2007 brought down the net asset value of open-end pension funds to PLN 140bn as at the end of December 2007. Over the same period, as a result of the lower stock valuations and net redemptions in the two closing months of 2007, the value of investment funds' assets shrank to PLN 133.5bn. Further depreciation of stock prices in 2008 reduced the value of open-end pension funds' assets to PLN 138.3bn as at the year end. After ten successive months when investment funds reported net redemptions (January – October), the total value of their assets as at the end of 2008 fell to PLN 73.7bn (down by 44.8% year on year)⁴.

⁴ Source: Analityz Online.

10.3 Equity Issuance Market

As at the end of 2007, the number of companies listed on the WSE reached 351 (including 23 foreign issuers), of which 81 were floated in that year. The number of IPOs conducted in 2007 was more than twice that seen in the previous years: in 2004-2006 there were 36, 35 and 38 IPOs, respectively. It is noteworthy that in 2005-2007 the WSE was among the leading European bourses in terms of the number of first-time issuers. The decline in stock market conditions in 2008 was also manifest in the smaller number of IPOs on the WSE – only 33 companies made their stock-exchange debut in 2008 (eight of them did not conduct a public offering). In 2004-2008, 52 issuers were delisted from the WSE.⁵

Chart 7. Value and number of IPOs on the WSE in 2004-2008



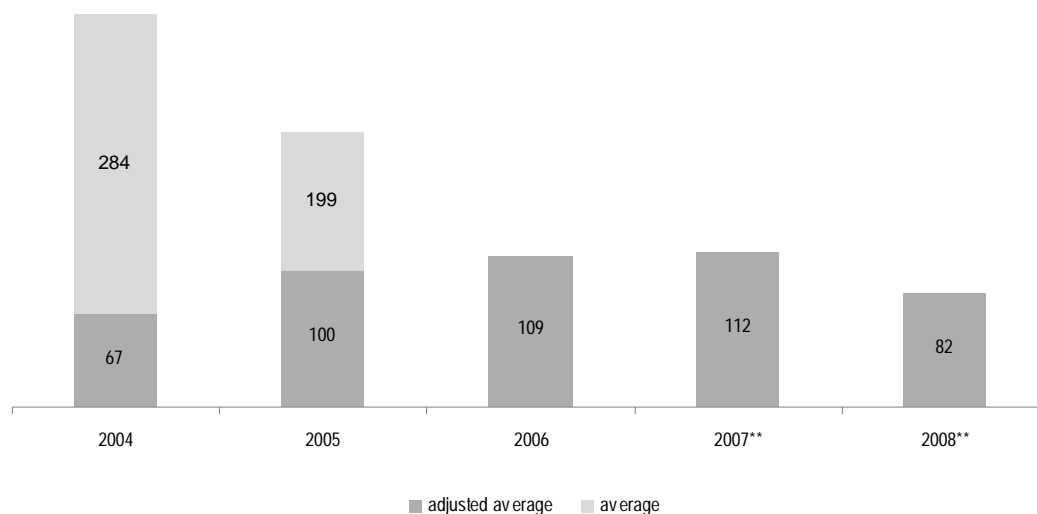
**In the case of international offerings only the part placed on the WSE was taken into account.*

Source: WSE, Forbes Investor 03/2008, IPO.pl.

In terms of the aggregate value of IPOs conducted in 2004-2007, the best years were 2004 and 2007, when the initial public offerings totalled PLN 10.2bn and PLN 7.7bn respectively (including the parts of international offerings of Immoeast and Orco Property Group that were placed on the WSE). However, such a large value of the IPOs in 2004 was driven by two deals: IPO of PKO BP (PLN 7.9bn) and of Borsodchem (PLN 1.6bn). All IPOs made on the WSE in 2008 totalled PLN 2.1bn (factoring in the part of the international offering of the Czech New World Resources placed on the WSE). The rapid growth in the number of new issuers was accompanied by an increase in the average value of the IPOs. The average value of an IPO in 2004 was PLN 284m, but if the offerings of PKO BP and Borsodchem are excluded, it was PLN 67m. In 2005, the average value of an IPO (excluding the offerings of PGNiG and Lotos, valued at PLN 2.7bn and PLN 1.0bn, respectively) – was PLN 100m. In 2006, there was no IPO in excess of PLN 1bn, and the average value of an IPO was PLN 109m. In 2007, the average value of an IPO was PLN 114m⁶. As the conditions on the primary market of the WSE worsened in 2008, the values of offerings declined as well. The average value of an IPO in that year was PLN 82m.

⁵ Source: WSE.

⁶ Excluding 13 companies listed without a share offering.

Chart 8. Average value of an IPO in 2004-2008 (PLN million)

*Adjusted average – excluding the largest offerings (as described above).

**Including those parts of offerings which were placed on the WSE.

Source: WSE, in-house calculations.

Over recent years, the group of first-time issuers has been changing in terms of the sectors they come from. While in 2004 the majority of the issuers were from the trade (6 offerings) and IT (5 offerings) sectors, in 2005 most of the companies that made their stock-exchange debuts operated in the food and drink (6 offerings) and chemical (5 offerings) industries, and in 2006 in the trade industry (12 offerings). In 2007, there were 81 IPOs, including offerings of 12 issuers from the trade sector and 10 companies from the IT sector. The majority of companies that made their IPOs in 2008 operated in the construction industry (4 companies).

A noteworthy phenomenon is the growing interest in the WSE on the part of foreign issuers. The first foreign company, Bank Austria Creditanstalt, was listed on the Polish stock exchange in 2003, and as at the end of 2008 there were 25 foreign companies listed on the WSE. Until the end of 2007, an IPO on the Warsaw Stock Exchange was perceived as an attractive form of raising capital by companies from the neighbouring countries and foreign companies operating in Poland. The key advantages offered by the WSE include a significant activity of financial and retail investors, substantial liquidity of stocks, and lower costs of an offering as compared with IPOs on Western European bourses.

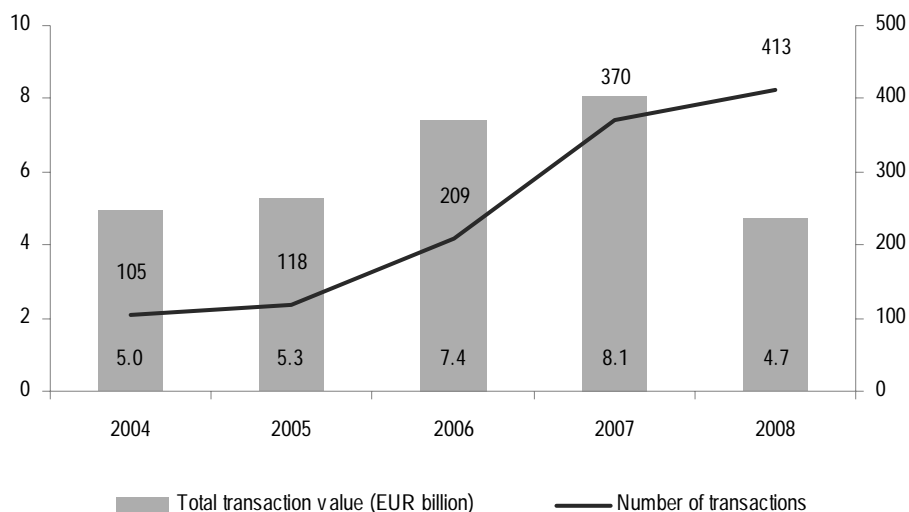
The period 2006-2007 saw increased activity of the WSE-listed companies as regards secondary public offerings: the total value of such transactions in 2006 and 2007 amounted to PLN 2.3bn and PLN 5.3bn, respectively. The market downturn in 2008 did not spare this market segment, with the total value of secondary offerings falling down to less than PLN 2bn⁷. The majority of SPOs completed in that period were rights issues (which, as a rule, do not require active placement) or private placements. This fact has a bearing on the amount of fees earned by brokerage offices involved in the process, as only those deals which require active placement generate commissions to brokerage offices at a level similar to initial public offerings. In other cases the role of a brokerage office is limited to the drafting of the offering documentation and technical services related to the transaction.

⁷ Źródło: GPW

10.4 Mergers and Acquisitions Market

The Polish M&A market, just like the equity issuance market, had seen rapid growth in 2004-2007. The total value of that market grew from EUR 5.0bn in 2004 to EUR 8.1bn in 2007 (which is equivalent to an annual average growth rate of 17.8%). The benign macroeconomic environment attracted foreign investment inflows, and the sustained economic growth combined with the increasingly more robust standing of Polish businesses drove a surge in the acquisition activity among domestic players, as well as in foreign takeovers. However, as the capital market slumped significantly depressing company valuations, in 2008 the value of the M&A market shrank relative to 2007 by 42% (despite a greater number of transactions).

Chart 9. Total value and number of M&A transactions in Poland in 2004-2008



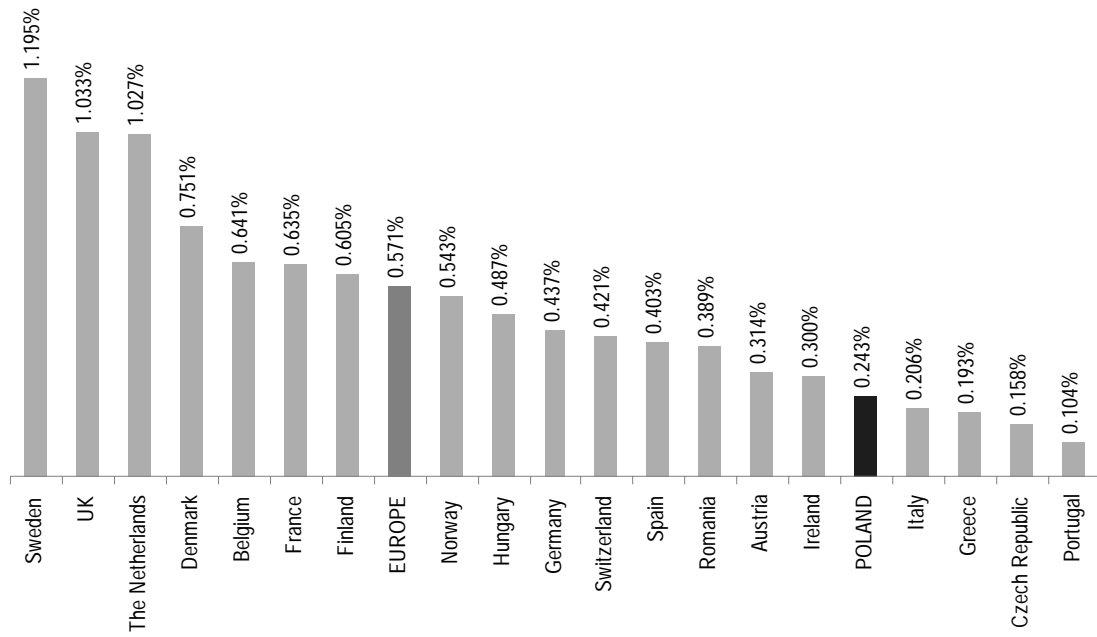
Source: Rzeczpospolita

In "An open world" Ernst & Young's 2008 European attractiveness survey, Poland is cited as the favourite destination for new investment in Europe (followed by Germany and Russia). Apart from the size of the Polish consumer market and the country's favourable geographic location, investors are attracted by the highly qualified (and still quite cheap) workforce, the availability and prices of land as well as the support which comes from local authorities in the form of setting up special economic zones.

It should also be noted that the growing attractiveness of Polish businesses stimulated the activity of private equity funds, with a resulting increase in both the number of M&A transactions and the value of the Polish M&A market. At present, in Poland there are 30 private equity fund management companies. According to the European Private Equity and Venture Capital Association's⁸ data, in 2007 the aggregate value of investments made in Poland by private equity funds reached EUR 684m (compared with EUR 134m, EUR 108m, and EUR 303m, respectively, in 2004-2006), while the aggregate value of investment exits was EUR 175m (EUR 86m, EUR 107m and EUR 138m, respectively, in 2004-2006⁹). The preferred exit route was through M&A transactions (68% of all transactions). Poland-based private equity fund management companies frequently target other CEE countries. The activity of private equity funds on the Polish market is far from having exhausted its potential, as best demonstrated by the share of their investments in Poland's GDP, which is still relatively low – in 2007 the total value of private equity funds' investments was 0.243% of GDP, compared with the European average of 0.571%.

⁸ Source: www.ppea.org.pl

⁹ The value of a divestment given by EVCA is equal to the cost of the original investment.

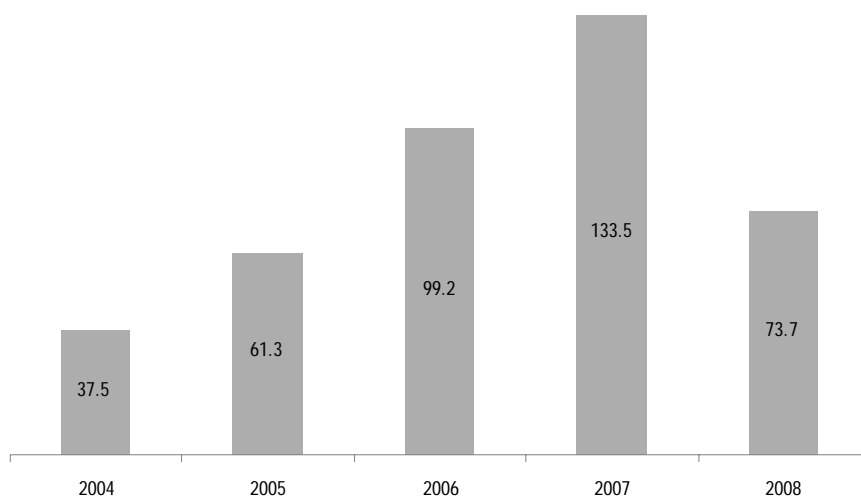
Chart 10. Private equity funds' investments as a percentage of GDP in 2007

Source: EVCA

10.5 Investment Funds Market

In recent years (until the end of 2007), the Polish market of investment funds had been going through a period of rapid growth. At the end of 2006, the net value of assets under management of investment fund companies amounted to PLN 99.2bn, having grown by 61.8% relative to 2005. Also in 2005, investment funds recorded a similar rise in net asset value (up by 63.3%). Even after the investor sentiment on the WSE had begun to cool in the second half of 2007 and the outflows of cash from investment funds had exceeded the inflows in November-December 2007, assets managed by investment funds stood at PLN 133.5bn, having gone up by 34.6% from the 2006 level. However, as the downswing on the WSE continued into 2008 putting further pressure on share valuations, the value of unit redemptions exceeded the inflows of cash to investment funds for another ten months, so that at the end of 2008 the total value of investment funds' assets was PLN 73.7bn (a year-on-year decline of 44.8%). It also needs to be noted that in recent years there was a steady rise in the share of net assets under management of investment fund companies as a percentage of GDP – from 4.2% in 2004, to 6.2% a year later, to 9.4% in 2006, to 11.8% in 2007.¹⁰

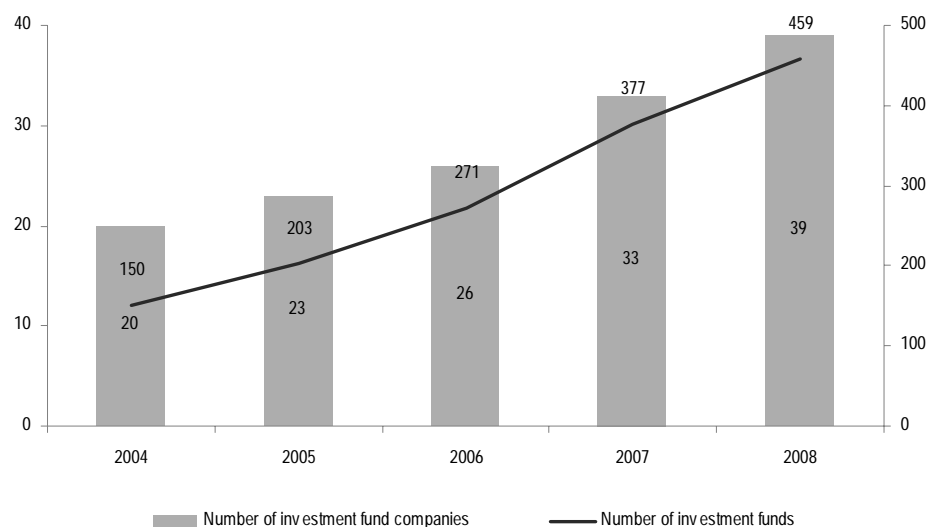
Chart 11. Total assets of investment fund companies in 2004-2008



Source: IZFiA, *Analizy Online*

Another indication of the fast-paced growth of the Polish funds market is the number of newly established investment fund companies and investment funds. In 2006, the Polish Financial Supervision Authority (formerly the Securities and Exchange Commission) granted authorisations to create 63 investment funds (not all of which had been launched by the year's end, though), as well as three authorisations to establish investment fund companies. At the end of 2006, there were 26 investment fund companies active in Poland, which were managing a total of 271 funds. As at the end of December 2007, the number of investment funds (including subfunds) on the Polish market was 377 (277 open-end funds and 100 closed-end funds), while the number of investment fund companies operating under a permission from the PFSA was 33 (although two of them had not launched any fund by the end of 2007). 2008 saw a further increase in the number of investment funds to 459 (including 321 open-end funds and 138 closed-end funds), with a concurrent increase in the number of investment fund companies to 39.

¹⁰ In-house calculations based on data from the Polish Central Statistics Office and IZFiA

Chart 12. Number of investment fund companies and investment funds in Poland in 2004-2008

Source: IZFiA, Analyzy Online

Based on statistics of the IZFiA members, at the end of 2007 the number of open-end investment funds and specialised open-end investment funds, including their subfunds, was 237, representing 78.2% of all investment funds active at that time (including subfunds). At the same time, the number of closed-end investment funds was 66, which represented 21.8% of all active investment funds. At the end of 2008, the number of active open-end and specialised investment funds was 321, having grown by 35%, (69.9% of all investment funds). The growth in the number of closed-end funds was even more spectacular (109%) – at the end of 2008 their number totalled 138 (30.1% of all investment funds). Please note that several investment fund companies are not IZFiA members. Given that these companies manage closed-end investment funds, the share of such funds in Poland's overall investment funds market (and particularly their number) is greater than indicated by the IZFiA's statistics.

As regards assets under management, the value of assets managed by open-end investment funds (and their subfunds) and by specialised open-end investment funds accounted – according to IZFiA's estimates – for 84.5% of all investment funds' assets, whereas the respective proportion of assets managed by closed-end investment funds stood at 15.5%.

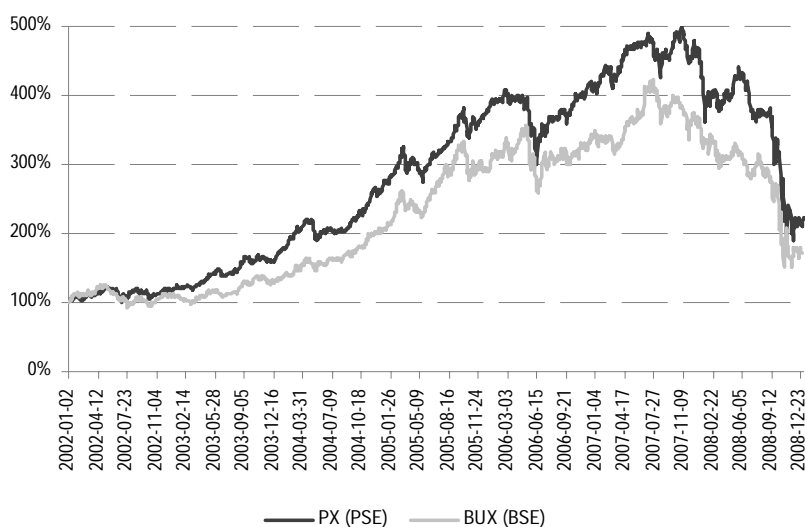
Relative to other European countries, the Polish investment funds market is still rather underdeveloped. As at the end of Q3 2008, assets under management of Polish investment fund companies accounted for a mere 0.4% of the value of the entire European investment funds market (which is worth EUR 5.2 trillion). The market is dominated by Luxembourg, France, UK and Ireland, which jointly account for close to three-quarters of the value of the entire European investment funds market.¹¹

¹¹ Source: EFAMA

10.6 Secondary Trading on the Prague and Budapest Stock Exchanges

IPOPEMA plans to extend its offering by giving clients a possibility to execute trades on the Budapest Stock Exchange (BSE) and the Prague Stock Exchange (PSE), through its remote membership in the two markets (the Company has taken steps with a view to securing remote membership on the Prague Stock Exchange and was granted the status of a remote member of the Hungarian stock market in May 2008). At present, trades on the two stock exchanges, as well as on other foreign markets, are executed through the agency of local brokers. The two markets, just like the Warsaw Stock Exchange, are relatively young – after the transformation period the Budapest Stock Exchange was opened in 1990, while the first trades on the Prague Stock Exchange were executed in 1993. In the five years until mid-2007, the situation on the Budapest and Prague Stock Exchanges mirrored that on the WSE, with the performance of the main indices demonstrating a strong upward momentum: in 2002-2007 the main index of the Hungarian stock market (BUX) gained 368.3%, while the main index of the Czech stock market (PX) surged by 468.1%. By contrast, in 2008 the Budapest and Prague Stock Exchanges, just like the WSE, saw the stock prices falling – the BUX index lost 53.3%, while the PX index declined by 18.3% (the WIG index fell in the same time by 51.1%).

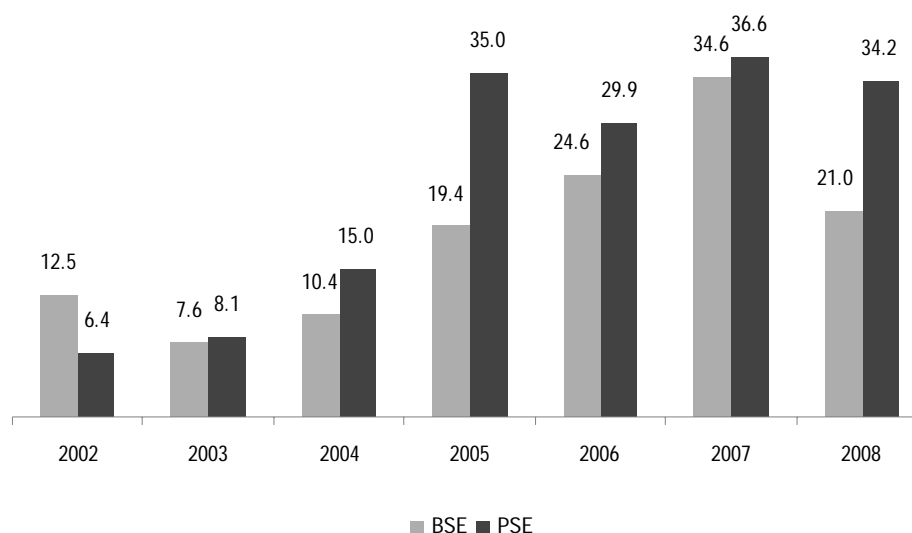
Chart 13. Performance of the main indices of the Budapest and Prague Stock Exchanges in 2002-2008



Source: Prague Stock Exchange, Budapest Stock Exchange

The two markets were developing at a similarly vigorous rate in terms of the value of equity trading. In 2007, the value of equity trades executed on the Budapest and Prague Stock Exchanges reached EUR 34.6bn and EUR 36.6bn, respectively. Following the onset of the bear market in 2008, the value of trading on the two markets fell, respectively, to EUR 21.0bn and EUR 34.2bn. At the end of 2007, the capitalisation of the Hungarian and Czech stock markets was EUR 31.5bn and EUR 48.0bn, respectively, whilst at the end of 2008 the respective values dropped to EUR 13.3bn and EUR 29.6bn¹².

¹² Source: Federation of European Securities Exchanges, Budapest Stock Exchange, Prague Stock Exchange; single counted

Chart 14. Value of trading on the Budapest and Prague Stock Exchanges in 2002-2008 (EURbn)

Source: Prague Stock Exchange, Budapest Stock Exchange, Federation of European Securities Exchanges

It is also worth stressing that the largest group of investors engaged in secondary trading on the BSE and the PSE are institutional investors, particularly foreign ones. Moreover, both in the case of the Budapest and the Prague markets, a majority of trading is generated from a few most liquid stocks. These factors weigh in favour of the Company's starting to trade on the Budapest and Prague Stock Exchanges, offering good prospects that it will be able to gain a noticeable share of trading executed on the two markets. At the same time, its strong relations with foreign investors, who are served by the same teams in connection with their investments in the entire CEE region, will make it easier for the Company to reach those investors with a comprehensive offering of equity trading services on the three regional markets. What will also add to the attractiveness of the Company's offering is the fact that its Research Office covers the several most liquid stocks listed on the BSE and the PSE and prepares region-wide industry reports.

10.7 Business and IT Consultancy Market

Over the recent years, the value of the Polish market of consultancy services was growing steadily– according to a report released by FEACO (the European Federation of Management Consultancies Associations), in 2005 it rose by 10% over 2004, to EUR 240m, and in 2006 it reached EUR 260m (a further increase of 8.6%). Revenue from business consultancy accounted in 2005-2006 for 38% and 46%, respectively, of total revenue from consultancy services generated by Polish consulting firms. It needs to be noted that in 2005-2006, the value of the Polish consultancy market represented a tiny (0.4%) fraction of the entire European market. To compare, the share of the best-developed German market was close to 30%. However, with the growing awareness of Polish business executives as to the role of strategic consultants' work and its effect on a company's business, we can expect a further rapid growth of the entire consultancy market going ahead.

10.8 Market Position and Major Competitors

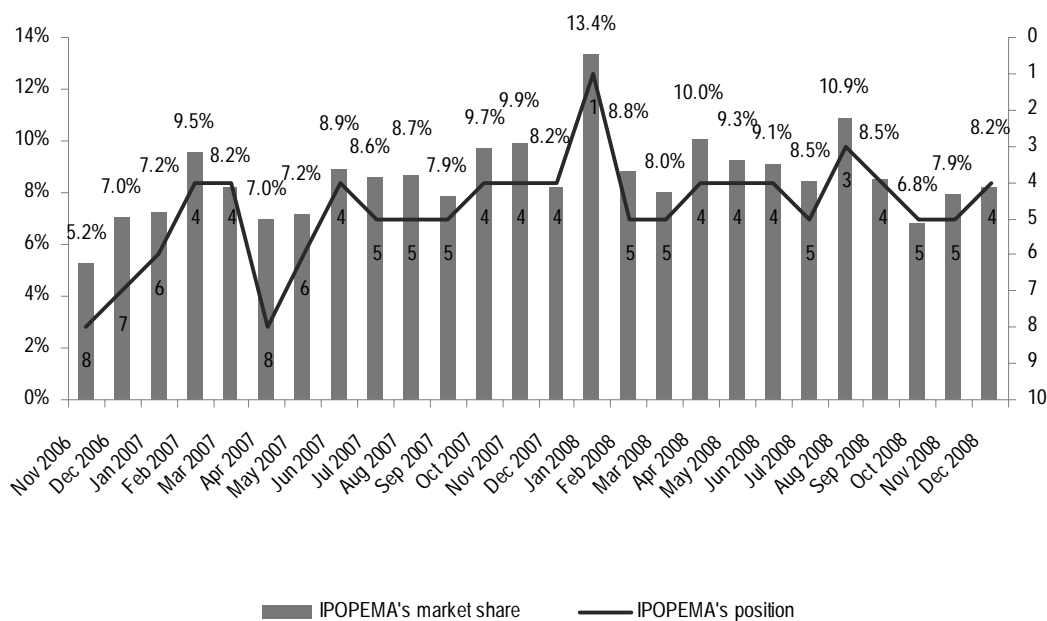
On the core market on which it operates, i.e. the Warsaw Stock Exchange, the Company competes with brokerage offices and banks belonging to large multinational banking groups, as well as with independent brokerage houses. Despite a short track-record on the Polish capital market, IPOPEMA Securities has already achieved a position much stronger than many brokerage arms of large financial institutions. On the M&A market, the Company's competitors include brokerage offices and consulting firms. IPOPEMA TFI competes with other investment fund companies selling their products on the Polish market. On the consultancy market, IPOPEMA Business Consulting competes with other providers of consulting services – both Polish and international.

Brokerage Activities on the WSE

Over the recent years, competition on the secondary market of the Warsaw Stock Exchange has been intensifying. At the end of 2004, there were 26 WSE members. A year later, 31 entities held the membership status (including seven foreign investment firms operating in Poland on a remote basis). At the end of 2006, the number of WSE members rose to 35 (including ten remote members), at the end of 2007, the list of WSE members was extended to 43 institutions (of which 17 were foreign remote members), and at the end of 2008 – to 46 entities (including 17 remote members). However, it needs to be pointed out that not all WSE members are actively involved in secondary trading – the total value of trading in 2004-2006 was generated by 21, 23 and 24 institutions, respectively, while in 2007 the number of active WSE members was 34. In 2008, there were 45 entities actively operating on the secondary market of the WSE.

The Company started to conduct brokerage activities in late October 2006 and its competitive position has been steadily growing stronger ever since – the Company's share in the trading executed on the WSE for the full 2007 and 2008 years amounted to 8.41% and 9.28%, respectively, which gave it the fifth and fourth ranks among all brokerage offices. Given the short time it took the Company to achieve its current market position and the strength of its competitors, this must be seen as a considerable success. The Company's major competitors are brokerage arms of large banking groups, such as Dom Maklerski Banku Handlowego, ING Securities, Dom Maklerski BZ WBK, UniCredit CAIB and KBC Securities.

Chart 15. IPOPEMA Securities' share in monthly equity trading on the WSE and its market position



Source: WSE, IPOPEMA

Table 1. Brokerage offices' shares in equity trading on the WSE in 2007-2008

2007			2008		
Brokerage office	Value of trades (PLNm)	Total share in trading	Brokerage office	Value of trades (PLNm)	Total share in trading
1 ING Securities	50,743	10.98%	1 ING Securities	40,982	12.75%
2 DM BZ-WBK	50,338	10.89%	2 DM BH	39,103	12.16%
3 DM BH	43,753	9.47%	3 DM BZ-WBK	35,671	11.09%
4 UniCredit CAIB	40,015	8.66%	4 IPOPEMA	29,854	9.28%
5 IPOPEMA	38,870	8.41%	5 UniCredit CAIB	26,263	8.17%
6 CDM Pekao	32,633	7.06%	6 KBC Securities	21,671	6.74%
7 DI BRE Banku	30,717	6.65%	7 DM PKO BP	19,014	5.91%
8 DM PKO BP	29,336	6.35%	8 DI BRE Banku	17,585	5.47%
9 KBC Securities	22,331	4.83%	9 DB Securities	14,209	4.42%
10 DB Securities	19,719	4.27%	10 Wood & Company	12,824	3.99%
11 BPH	15,574	3.37%	11 CDM Pekao	9,222	2.87%
12 DM BOŚ	12,979	2.81%	12 Erste Securities	8,828	2.75%
13 Millennium DM	12,863	2.78%	13 Societe Generale	8,295	2.58%
14 Erste Securities	12,351	2.67%	14 Millennium DM	6,243	1.94%
15 Wood & Company	10,415	2.25%	15 DM BOŚ	5,934	1.85%
16 DM IDM	9,711	2.10%	16 DM IDM	4,247	1.32%
17 Societe Generale	5,333	1.15%	17 Raiffeisen	3,534	1.10%
18 DM Penetrator	3,865	0.84%	18 DM PEKAO SA	3,159	0.98%
19 BDM	3,843	0.83%	19 Opera	3,100	0.96%
20 Raiffeisen	3,387	0.73%	20 BPH	1,855	0.58%
Others	13,440	2.91%	Others	9,955	3.10%
Total	462,217	100.00%	Total	321,549	100.00%

Source: WSE

It needs to be noted that currently IPOPEMA Securities provides brokerage services only to institutional investors (both Polish and foreign), which in 2008 generated 82% of the total value of trading on the WSE. Assuming that in the same period about 7% of the value of trading was generated by market makers (the level recorded in 2007), IPOPEMA Securities estimates its share in institutional trading at 12.3%. Given that a majority of other brokerage offices are also very active in the retail and market making segments, the Management Board reckons that in 2008 the Company was one of the WSE's leading brokers in terms of its share in trading for institutional investors.

Brokerage Activities on the PSE and the BSE

To enhance its offering for existing customers, IPOPEMA Securities plans to expand its brokerage operations on the Budapest Stock Exchange (BSE) and the Prague Stock Exchange (PSE), through remote membership of the two markets. The status of a remote member will allow the Company to act as an intermediary in transactions involving stocks listed on those markets. At present, the Company's major competitors on the Budapest Stock Exchange are Hungarian branches of KBC Securities, Erste Bank Investment and UniCredit Bank, as well as the brokerage unit of Concorde Securities Ltd. (which is also present in Poland). The strongest players on the trading floor in Prague are Patria Finance (member of the KBC group) and Wood & Company Financial Services (also a WSE member). It is worth noting at this point that both the Budapest and Prague Stock Exchanges are highly concentrated. In 2008, trades executed on the Budapest market by the three leading brokers accounted for 46% of the total value of trading, whilst in Prague the top two brokers generated 51% of the total value of trading.

Table 2. Brokerage offices' shares in equity trading on the PSE and the BSE in 2008

PSE			BSE		
	Brokerage office	Market share		Brokerage office	Market share
1	Patria Finance	28%	1	KBC Securities	19%
2	WOOD & Company	23%	2	ERSTE	17%
3	Česká Spořitelna	11%	3	UniCredit	10%
4	ATLANTIK	7%	4	Cashline	8%
5	UniCredit (HVB)	7%	5	Concorde	7%
	Others	24%		Others	39%
	Total	100%		Total	100%

Source: PSE, BSE

Equity Issuance

On the market of public equity issues, the Company competes with other brokerage offices. Its major competitors, however, are those brokerage houses which, like the Company, focus on share issues with considerable value. The Company conducted two IPO transactions in 2006 and two IPO transactions in 2007, worth a total of PLN 106m and PLN 326m, respectively. As regards equity offerings prepared in 2008, the Company agreed with the clients concerned to defer or cancel several transactions due to unfavourable market conditions.

Table 3. Ranking of brokerage offices based on the value of IPOs and secondary offerings carried out in 2007

Initial public offerings 2007			Secondary offerings 2007				
Brokerage office	Value (PLNm)	Number of deals	Brokerage office	Value (PLNm)	Number of deals		
1	UniCredit CAIB	2,173	7	DM IDMSA	846	12	
2	CDM Pekao	1,020	2	UniCredit CAIB	843	4	
3	DM IDMSA	838	11	DM BZ WBK	735	5	
4	ING Securities	661	3	DI BRE	547	4	
5	DI BRE	477	5	5 IPOPEMA	479	4	
6	DM BH	391	1	DM PKO BP	478	4	
7 IPOPEMA	326	2	7	DM AmerBrokers	295	6	
8	Mercurius	315	1	8	Mecurius	436	2
9	DB Securities	232	1	9	ING Securities	129	1
10	BDM	178	4	10	DM Penetrator	120	2

Source: Forbes Investor 03/2008

Given that the aggregate value of secondary share offerings carried out in 2007 amounted to PLN 5.3bn and taking into account the four secondary rights issues with respect to which IPOPEMA acted as the offeror (worth a total of PLN 479m), IPOPEMA Securities' market share can be estimated at around 9%¹³.

Mergers and Acquisitions

Competition on the M&A advisory market is highly fragmented, due to the fact that there are no legal regulations governing entry into that market. As a consequence, the Company's competitors on the discussed market include brokerage offices, investment boutiques (i.e. small private consultancies), brokerage houses, international banks and financial advisory firms, and even auditing and law firms, which are frequently engaged as advisors in connection with transactions of lesser size. Taking into account the size of executed transactions, the Company's closest competitors include brokerage offices, international financial advisory firms and investment boutiques.

To date, the Company has not been very active on the M&A market. Since its inception, it has executed six M&A transactions (including those handled by DI IPOPEMA) with an aggregate value of c. PLN 260m. It needs to be noted, however, that as part of its efforts to develop this line of business, in September 2006 IPOPEMA Securities became the sole Polish member of Mergers Alliance, an international organisation of advisory firms specialising in mergers and acquisitions, and corporate finance. Currently, Mergers Alliance groups 19 member firms – providers of advisory services operating through 42 offices in 26 countries. The total value of transactions executed by Mergers Alliance's member firms in 2007

¹³ In-house estimates based on data from the WSE and Forbes Investors 03/2008.

exceeded EUR 4bn. Additionally, in line with the strategy implemented by the Company, in a short term it plans to invest in further development of its M&A department and, consequently, to exploit the potential offered by Mergers Alliance's structure to an even greater degree.

Investment Funds Management

At the end of 2008, there were 39 entities holding the PFSA's authorisation to operate as investment fund companies. Looking at the market shares held by the individual investment fund companies, we can see that the Polish market – mirroring the European one – is characterised by high concentration: at the end of 2007 and 2008, 62.1% and 48.4% respectively of all investment funds' assets were concentrated in the four largest investment fund companies (Pioneer PEKAO TFI, BZ WBK AIB TFI, PKO TFI and ING TFI). That proportion is on a falling trend, however – at the end of 2006 it had stood at 63.4%. This is attributable to two factors: a growing number of investment fund management companies, as well as the growing value of assets under management of smaller players. The investment funds management market remains dominated by members of large banking groups.

Since IPOPEMA TFI focuses on direct selective acquisition of high-net-worth individuals and corporate customers, currently the company does not compete with entities operating in the retail segment.

Furthermore, given that IPOPEMA TFI offers closed-end investment funds to a limited group of investors, its major competitors seem to be investment fund companies which do not operate through their own retail distribution networks, such as Skarbiec TFI, Copernicus Capital TFI, Investors TFI, Opera TFI, Forum TFI, AKJ Investment TFI, Opoka TFI, Idea TFI, Quercus TFI and Intrum Iustitia TFI. At the end of 2008, IPOPEMA TFI's share in the market defined by the value of assets managed by investment fund companies (excluding the retail funds offered by Skarbiec TFI) was 13.41% (according to data published by IZFiA)¹⁴.

Business and IT Consultancy

On the consultancy services market, IPOPEMA Business Consulting faces competition from global players offering a full range of consultancy services, as well as from specialised firms focusing on the provision of operational and strategic advisory or IT consultancy services. Given below is IPOPEMA Business Consulting's competition broken down by the main lines of services offered:

- business consultancy (strategy and operational management): Accenture, Deloitte, DGA, F5 Consulting, KPMG, PricewaterhouseCoopers;
- IT consultancy: Asseco, Capgemini Polska, Hewlett-Packard, IBM GBS, IDS Scheer, Infovide-Matrix, S&T, Sygnity.

¹⁴ Source: IPOPEMA TFI's calculations based on data published by IZFiA

10.9 Development Prospects for the Company's Market

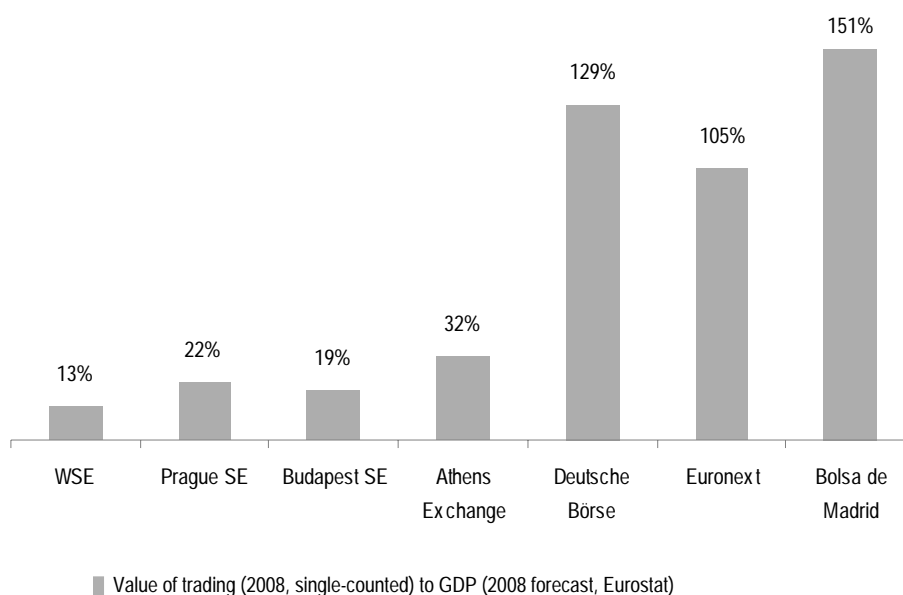
In the years ahead, the development of the market on which the Company operates will depend on a variety of factors, including macroeconomic conditions, the situation that will prevail on stock markets worldwide, as well as psychological factors driving investors' decisions to invest in stock markets.

The Warsaw Stock Exchange is Central and Eastern Europe's leading floor in terms of market capitalisation, the number of listed stocks and the number of licensed brokers. At the end of 2008, the aggregate value of companies quoted on the WSE was EUR 65.2bn, whilst the aggregate market capitalisation of the Prague Stock Exchange and the Budapest Stock Exchange amounted, respectively, to EUR 29.6bn and EUR 13.3bn. At the same time, the number of companies traded on the WSE was 374, compared with 29 and 43 issuers listed, respectively, in Prague and in Budapest.¹⁵

The WSE's efforts to secure and retain the status of the region's financial hub, which are a crucial element of its strategy for the coming years, are supported by key institutions connected with the Polish capital markets. It needs to be stressed that in terms of market capitalization and the number of traded stocks the WSE has already overtaken the main rival with which it is vying for regional leadership, namely the Vienna Stock Exchange (Wiener Börse), on which at the end of 2008 were listed 118 companies, whose aggregate market value amounted to EUR 54.8bn¹⁶.

When set against more mature markets of Western Europe (London, Paris, Frankfurt), the WSE has potential for further growth. At the end of 2008, the list of issuers listed on the London Stock Exchange included 3,096 names, their market capitalisations adding up to a total of EUR 1,352bn. The number of stocks listed on Euronext (the shared trading platform for France, the Netherlands and Belgium) was 1,002 and their total capitalisation stood at EUR 1,508bn. At the same time, the roll of companies listed on Frankfurt's Deutsche Börse included 832 names and their total market value was EUR 797bn. Another measure suggesting that the WSE has prospects for future growth is the ratio of its capitalisation to GDP. At the end of 2008, in Poland the ratio was 18%. The respective figures for the London Stock Exchange, Euronext (the ratio of market capitalisation to combined GDP of France, the Netherlands and Belgium) and Deutsche Börse were 74%, 52% and 32%¹⁷. Also in terms of the value of trading, the Western European stock exchanges are much more active – the total value of trading generated in 2008 on Euronext represented 105% of combined GDP of France, the Netherlands and Belgium, while the corresponding ratio for Deutsche Börse was 129%. The total value of trading recorded in the same period on the WSE represented only 13% of Poland's GDP.¹⁸

Chart 16. Value of trading as a percentage of GDP – comparison between the WSE and other European stock markets



Source: Company based on data from the Federation of European Securities Exchanges and Eurostat

Due to large capital flows and strong business ties between Poland and other global markets, Poland has not been immune to the unfolding global economic crisis, although – thanks to the relatively small size of the Polish market – the scale of the impact has been rather limited, when

¹⁵ Source: WSE, Federation of European Securities Exchanges; market capitalisation of domestic companies

¹⁶ Source: Federation of European Securities Exchanges; market capitalisation of domestic companies

¹⁷ Ratio of market capitalisation (of domestic companies) as at the end of September 2008 to GDP for 2007 (source: IPOPEMA, based on data from Federation of European Securities Exchanges, Eurostat)

¹⁸ Value of trading in the period January-September 2008 as a percentage of GDP for 2007 (source: IPOPEMA, based on data from the Federation of European Securities Exchanges and Eurostat; single counted)

compared with that experienced by more developed economies. Consequently, Poland's economic situation can be expected to improve mainly on the back of a global economic recovery.

In addition, the current global bear market seen since mid-2007, is one of the most severe on record. Even though in statistical terms the bear market has already been a prolonged one, it is impossible to predict how the situation on the capital markets will develop in a near term.

In recent years (until the end of 2007), the M&A market was developing at a vigorous pace. However, as company valuations fell and conditions for obtaining credit to finance transactions were significantly tightened in 2008, there was a slowdown in M&A activity. The aggregate value of transactions completed in 2008 fell by 42% relative to the 2007 level¹⁹. When the situation on the financial market improves and banks become more inclined to lend, the M&A market will certainly pick up momentum (on the back of transactions executed by both companies and private equity funds), all the more so because low stock-exchange valuations are putting a downward pressure on the valuations of non-public businesses, while providing an additional incentive to acquire publicly traded companies.

Given the current recession experienced by the most developed economies, we can expect the rate of Poland's economic growth to considerably decelerate in its wake. According to recent forecasts of the National Bank of Poland, Poland's GDP is expected to grow by 1.1% in 2009 and by 2.2% in 2010; however, there are economists who claim that it will grow at an even slower rate in 2009. Currently, it is impossible to precisely determine how long the economic slowdown will last and what its effects on Poland's macroeconomic situation can be.

10.10 Sources of Information for the Issuer's Statements Regarding Its Competitive Position

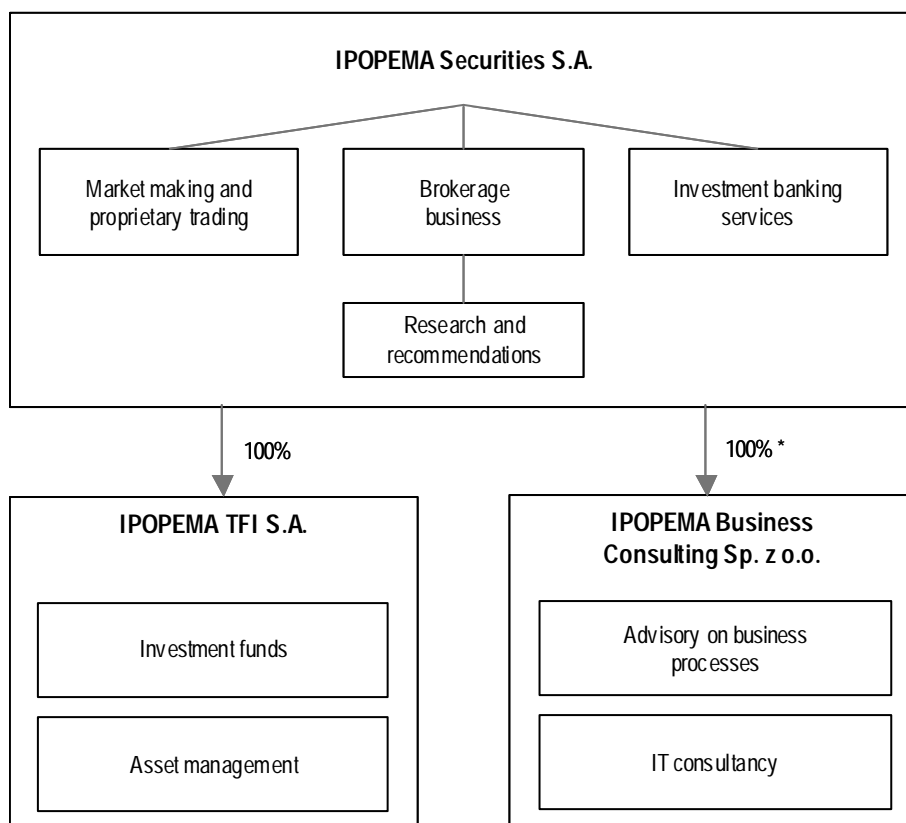
All the statements regarding the competitive position of IPOPEMA Securities and IPOPEMA TFI contained in this Prospectus were based on in-house calculations, which in turn relied on the Company's financial information and the available aggregated data relating to markets on which the Company operates. Information on the markets was sourced from publicly available reports and statistics of public institutions, trade journals and market research institutions (the Warsaw Stock Exchange (WSE), the Polish Securities and Exchange Commission, succeeded by the Polish Financial Supervision Authority (PFSA), the Chamber of Fund and Asset Management (IZFiA), Forbes and IPO.pl).

¹⁹ Source: *Rzeczpospolita*

11. THE COMPANY'S BUSINESS

11.1 Summary

IPOPEMA Securities S.A. is a dynamically growing financial institution, specialising in investment banking and brokerage services as well as equity research. The IPOPEMA Group also includes an investment fund company, IPOPEMA TFI (wholly-owned by IPOPEMA Securities), which currently focuses on creating and managing closed-end investment funds. In July 2008, the Group was expanded with IPOPEMA Business Consulting Sp. z o.o, in which IPOPEMA Securities holds a 100% equity interest as at the date of this Prospectus approval (the target size of the holding is to be 50% + 1 share). Since the beginning of 2009, IPOPEMA Business Consulting has operated in the area of business and IT consultancy.



**It is assumed that the Company's interest in the share capital of IPOPEMA Business Consulting Sp. z o.o. will be ultimately reduced to 50% plus 1 share (for more information see Section 12.5 of this Prospectus).*

The history of IPOPEMA's operations dates back to May 2003, when Dom Inwestycyjny IPOPEMA S.A. was created to provide advisory on the preparation and execution of capital market transactions. In pursuance of the strategy of providing comprehensive investment banking services, in June 2005 DI IPOPEMA established a subsidiary, Dom Maklerski IPOPEMA S.A., which concentrated on the services relating to the execution of public offerings. In the second half of 2006, DI IPOPEMA's operations were transferred to DM IPOPEMA, whose name was changed to IPOPEMA Securities S.A. Since October 2006, the range of services offered by the Company was broadened to include brokerage services on the secondary market of the Warsaw Stock Exchange and on foreign markets.

As part of its brokerage business IPOPEMA Securities provides comprehensive services for institutional clients in the area of intermediation in securities trading on the secondary market. The Company's partners are both high-profile international financial institutions and the majority of leading Polish institutional investors, including open-end pension funds, investment fund companies, asset managers and insurers. According to the Management Board's estimates, the Company ranks among the most active brokers on the WSE providing services to institutional clients. Since the onset of its operations on the stock exchange market, IPOPEMA Securities has been reporting a steady growth of its share in trading on the WSE. In January 2007, it stood at 7.23% (sixth position on the market), to grow to 8.22% in December 2007 (fourth position), which translated into an annualised market share of 8.41% (fifth position). In 2008, the share of IPOPEMA Securities in trading on the WSE was 9.23%, placing the Company on the fourth position on the market. Following the launch of the Market Making and Proprietary Trading Department in February 2009, the Company embarked on investment activity involving proprietary trades on the WSE, and enhanced the range of its services for clients with services of a market maker, ensuring liquidity of trading in their shares on the WSE.

The Company's investment banking offering includes comprehensive assistance in the preparation and execution of transactions on the capital market, involving the use of equity instruments (shares), debt instruments (corporate bonds), and hybrid solutions (convertible bonds). In

particular, the Company focuses on public offerings of securities (especially shares) – in which it acts as the coordinator, offeror and financial adviser, M&A deals and management buy-outs, as well as advisory on the raising of financing on the private market, including from private equity funds and through pre-IPO placements. In the period from May 2003 to the date of this Prospectus approval, IPOPEMA (initially as Dom Inwestycyjny IPOPEMA S.A., and then IPOPEMA Securities S.A.) took part in over 30 successful transactions, totalling in excess of PLN 2.3bn.

The brokerage and investment banking operations of IPOPEMA Securities are supported by a research team, which prepares analyst reports, recommendations, and comments on the issuers listed on the WSE (the largest ones but also the medium-sized and smaller companies). Currently IPOPEMA's Research Office is composed of seven analysts, who cover approx. 150 companies on an ongoing basis, including issuers from such sectors as banking, construction, property development, IT, retail, construction materials and food and drink industry.

IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A. focuses on the creation and management of closed-end investment funds. These are dedicated funds targeted at the high-net-worth and corporate client groups. Furthermore, in 2008 IPOPEMA TFI also established two active management funds. Other funds of this type, giving access to investments to a larger number of investors, are planned to be launched in the future. In addition, March 2009 saw the registration of the first open-end fund managed by IPOPEMA TFI, Alior Specjalistyczny Fundusz Inwestycyjny Otwarty, formed in cooperation with a newly established retail bank and addressed primarily to the bank's clients.

IPOPEMA Business Consulting, which commenced its operating activities in January 2009, is active chiefly in the field of consulting services concerning corporate strategies and operations, as well as IT consultancy.

11.2 Competitive Advantages

Irrespective of the Company's competitive advantages outlined below, investors are advised to pay attention to the risk factors described in Section 3 of this Prospectus.

Experienced and Well-Motivated Team of Employees

The IPOPEMA Group has seasoned and well-motivated staff. The key employees, who can boast over ten years' experience in the relevant segments of brokerage business (investment banking, brokerage services, advisory), are also the Company shareholders or participants of its Incentive Scheme. Furthermore, the remuneration levels of all employees are closely linked to the Company's financial performance and depend on the assessment of each person's commitment to the completion of their tasks and projects.

In 2006, the Company successfully built a team of brokers ranking among the best on the market. Typically, this type of business relies on the confidence that an investor has to place in a broker to whom he or she entrusts execution of trades on the stock exchange. Given the relatively short history of the Polish capital market and the fact that there have not been many brokerage offices specialising in services for institutional investors, the number of brokers in Poland who have very good relations with institutional investors and specialise in services dedicated to them is limited. The Company estimates that apart from IPOPEMA Securities, currently there are four other brokerage offices in Poland that have a significant share in the market of services for institutional investors.

A noteworthy fact is that the Company's brokerage team enjoys very good reputation among investors. In the two most recent rankings of brokerage houses providing services to institutional investors published by the Forbes magazine (issues No. 11/2007 and 09/2008), IPOPEMA Securities scored among the best ten brokerages (third and eighth position, respectively). The professional qualifications of the IPOPEMA Securities' brokers also won high praise (fourth position among all brokerage offices assessed in the 2008 ranking). In the ranking of individual brokers, two members of the IPOPEMA Securities' team found their way to the top ten.

It is also worth mentioning that the persons making up the teams of IPOPEMA TFI and IPOPEMA Business Consulting, the Company's subsidiaries, count among the most experienced and highly appreciated experts in their respective fields.

Specialisation in Services for Institutional Investors

The Company's brokerage team specialises in services for institutional clients. Focus on this group of investors makes it possible to reduce the operating costs of this business segment and to better adapt the offering to the special nature and needs of the clients. It also contributes to the mitigation of the business risk.

Ability to Assist Clients in International Transactions

The Company has ample competence and capabilities to provide services as part of international transactions. Those include both capital raising assignments (IPOPEMA acted as the lead manager in the offering of Automotive Components Europe of Luxembourg), and advisory on international mergers and acquisitions. Typically, international transactions are more complex and involve coordination of work of a larger number of advisers. Because such projects require taking into account numerous aspects that do not exist in the case of deals executed on the national market, the persons taking part in the process need to have relevant experience and expertise. On the other hand, as a rule such deals generate higher fees.

A valuable asset in the execution of M&A deals is IPOPEMA Securities' membership of Mergers Alliance – an international network of independent advisory companies specialising in M&A transactions and corporate finance. Currently Mergers Alliance has 19 member firms, operating through 42

offices in 26 countries. Cooperation within Mergers Alliance enables the Company to offer its clients comprehensive services relating to M&A transactions whose scope goes beyond the territory of Poland.

Simple Structure and Ability to Quickly Respond to the Market Requirements

Thanks to its simple organisational structure and efficient system of making key decisions, the Company is able to quickly respond to the clients' requirements and movements in the market environment. In addition, the short decision-making process and flexible approach to the needs voiced by the clients foster perception of the Company as a dynamic organisation, ensuring supreme service quality. This image is instrumental in winning new clients.

High Service Quality Facilitating Long-Lasting Relationships with Clients

The high quality of the services provided by the Company and the clients' satisfaction with the achieved transaction parameters create a platform for the establishment of long-term cooperation with the clients. Strong relationships with the existing clients facilitate acquisition of new assignments.

Synergies within the IPOPEMA Group

IPOPEMA Securities is one of only few companies on the Polish capital market to offer such a comprehensive range of services. This comprehensiveness not only makes it possible to offer well-suited products at various stages of the clients' business development, but also enables the IPOPEMA Group to exploit synergies between its business lines. Very strong market position and long-term relationships with the clients of IPOPEMA Securities' brokerage segment support the process of obtaining public offering and placement mandates. This advantage is particularly relevant in the execution of offerings of a larger value. Likewise, it is easier to get across with IPOPEMA TFI's offering to the shareholders of companies which already use investment banking services of IPOPEMA Securities. The Company may also provide investment banking services to the clients of IPOPEMA TFI, many of whom are shareholders of companies (including listed companies). Enhancement of the offering for the existing clients of the Group with the services provided by IPOPEMA Business Consulting will facilitate further strengthening of the relationships and a more comprehensive service, thus making IPOPEMA a long-term partner for its existing and future clients.

Broad Range of Corporate Finance and Capital Raising Services

Compared with other brokerage offices operating on the Polish capital market the Company offers a broad range of corporate finance services. In addition to providing assistance in public offerings of shares, which is a standard item in the offerings of brokerage houses, the Company also advises on the acquisition of capital on the private market (private equity funds, pre-IPO placements), development of the concept and arrangement of financing for leveraged buy-outs, M&A deals, and investor relations of IPOPEMA Securities' returning clients. The comprehensiveness of the Company's offering is highly appreciated by the clients, as they can cooperate with a single team in many various projects and reduce the costs involved in the execution of capital market transactions.

Status of a Public Company

It is assumed that IPOPEMA Securities will be the second brokerage office listed in the main market of the WSE. The Company believes that the status of a listed company improves the transparency of operations and has a marketing effect. In the opinion of the Management Board this will facilitate acquisition of new clients in the future, in particular in the area of initial public offerings. Furthermore, the listing of the Company shares on the WSE will make it possible to implement the Incentive Scheme designed to encourage its participants to continue their careers with the IPOPEMA Group, and to improve the capability to solicit new specialists, if needed.

Advantageous Cost Structure

IPOPEMA Securities is a private company and strict cost control has always been a priority in its management. In addition, thanks to its cost structure with a dominating share of variable costs, even in the event of a market downturn and a significant decrease in business, the Company should be able to continue to deliver profits. Currently, no material changes to the cost structure are contemplated. The planned further strengthening of the team responsible for investment banking, including in particular M&A assignments, will require additional spending on salaries, but a significant portion of these expenses will still be based on a bonus system.

IPOPEMA Securities' Competence Support to IPOPEMA TFI

In order to effectively manage investment portfolios of its funds, IPOPEMA TFI employs its own team of asset management specialists, and intends to cooperate with the corporate finance team and the Research Office of IPOPEMA Securities (analyst reports on the market situation and particular companies, finding investment targets on and outside of the regulated market). The broad research capabilities and experience, in particular on the over-the-counter market, coupled with strong competence in product development and administration of dedicated funds (Strategy and Products Department of IPOPEMA TFI) will constitute the key competitive advantages of IPOPEMA TFI.

11.3 Strategy

In accordance with its development strategy, over the next two or three years IPOPEMA Securities should become a leading brokerage office in Poland in selected segments of brokerage business and investment banking services. The IPOPEMA Group's operations will focus primarily on services to institutional clients – both investors and companies – and high-net worth individuals who look for active advice on asset management or are significant shareholders of business organisations (including public companies). The development strategy of the IPOPEMA Group was prepared on the basis of strategies devised for each of its four main business areas – brokerage business, investment banking services, creation and management of investment funds, and business consultancy. The comprehensive range of services and substantial synergies within the Group will allow the Company and its subsidiaries to build and reinforce relationships with clients by offering a variety of products for each stage of business development. As part of its operations IPOPEMA seeks to leverage competitive advantages created by strategic cooperation with other organisations (such as Mergers Alliance and Alior Bank) and does not rule out entering into other alliances in the future, where justified by business benefits.

Development of the Brokerage Business

It is a strategic objective of the Company to consistently increase its market share and become one of the three most active brokerage offices on the WSE, as well as to foster its position of a broker of choice for institutional investors. The achievement of this objective should be facilitated by the experienced team, constant development of the product range, and reinforcement of the position of the Research Office on the market of providers of high-quality analyst reports.

The extensive market experience of the IPOPEMA Securities' brokerage team and the long-term relationships with investors make it possible to respond quickly and flexibly to the clients' expectations by adjusting the Company's offering accordingly. With a view to bringing its product range in line with the expectations of its existing and future clients, in December 2007 the Company introduced a service enabling investors to enter into futures transactions on the WSE. The dynamically growing derivatives market is becoming increasingly popular with institutional investors, and the Management Board believes that addition of this service is indispensable in order to make IPOPEMA Securities' product offering really comprehensive. An incremental increase in the scale of clients' transactions executed with the intermediation of the Company (including transactions on the WSE) is expected after IPOPEMA Securities receives an authorisation to intermediate in transactions as a remote member of the stock exchanges in Budapest and Prague. The Company has already obtained the status of a remote member of the Hungarian stock exchange, and the operational activities on this market should begin in the first half of 2009. As regards the stock exchange in Prague, the process is less advanced because of the more hermetic nature of this market and existence of regulations which materially impede access of new financial intermediaries to the market. It is the Company's intention to obtain membership and launch operations on the Czech market by the end of 2009, but this is conditional on whether the regulations are amended and adapted to the EU standards in terms of competitiveness and access of new participants. Currently the Company uses the services of local brokers in order to offer its clients the possibility of executing transactions abroad, but if it obtains the remote member status it will be able to realise higher margins while offering competitive prices.

The Company also plans to develop its activities in the area of arbitrage trading in securities (shares and futures) for its own account. The Market Making and Proprietary Trading Department launched in February 2009 makes transactions on the most liquid instruments. In addition to other benefits, this also allows the Company to expand its offering for the companies conducting IPOs in cooperation with IPOPEMA Securities with services of a market maker, ensuring liquidity of trading in their shares after flotation on the WSE.

An important factor in the strengthening of the Company's position of a leading brokerage in Poland will be offering high-quality research products. It is assumed that the Research Office will provide regular coverage of 50 companies listed on the WSE and a few largest companies whose shares are traded on the stock exchanges in Prague and Budapest. Furthermore, the Research Office will continue to monitor and comment on the performance of a broad group of WSE-listed companies that are not covered regularly. A strong research team within IPOPEMA Securities is expected to improve the effectiveness of efforts designed to obtain flotation assignments. The Research Office will expand its product portfolio as it develops. Apart from supreme research reports and recommendations concerning companies already listed on the WSE, and comments on companies' periodic reports, the IPOPEMA Group's clients will also receive access to monthly publications discussing the market situation and macroeconomic data, and containing proposed model portfolios and investment strategies.

Development of the Investment Banking Business

IPOPEMA Securities intends to become one of the most active brokerage offices in the area of services related to capital market transactions, with a diversified revenue structure. A versatile product portfolio, enabling the Company to assist clients in public offerings, raising capital on the private market, as well as M&A transactions, will limit the impact of developments on stock exchanges on the revenue amount. It will also serve as a platform for further operational expansion.

Continued offering of the existing broad range of high-quality investment banking services is expected to facilitate progressive reinforcement of the Company's market position and growth in the number of executed transactions and their average value. The strong position of the Company's brokerage segment and high level of appreciation enjoyed by the recommendations and research reports issued by the Research Office should contribute to obtaining larger (in terms of value) IPO assignments. This will foster perception of IPOPEMA Securities as a broker of choice for transactions to the order of PLN 50-500m. The Company will also seek to act as Polish co-manager in large international offerings (over PLN 500m), including private companies' offerings and privatisation transactions.

With a view to diversifying revenue sources and executing more M&A deals, with a concurrent increase in the average value of the transactions, IPOPEMA strengthened its team that will be potentially dedicated to the handling of this type of assignments. The Company believes that this will allow it to exploit to a greater extent the potential created by its membership in Mergers Alliance, a group of independent advisory firms with a presence in 26 countries in Europe, Americas, Asia and Africa, specialising in advisory on international mergers and acquisitions. It is the Company's goal that M&A transactions (including acquisition of financing through private equity funds) should generate revenue at a level similar to the revenue from IPOs. In particular, the Company intends to continue to focus on mergers and acquisitions, sale of companies to strategic investors and private equity funds (including dual-track transactions, which involve a simultaneous public offering and sale to a strategic investor/fund), and public-to-private deals.

The Company also plans to intensify its activities in the area of advisory on financial restructuring processes. Given the current trends in the economy and on the financial markets, and the deteriorating finance and liquidity position of companies, their interest in this type of services is growing. In this area the Company will cooperate with IPOPEMA Business Consulting, which provides services relating to operational restructuring of companies.

Development of the Investment Fund Management Services

It is a strategic goal of IPOPEMA TFI to gain a strong position on the market of creation and active management of investment funds for high-net-worth individuals and corporate clients. The operations in this area will focus on dedicated closed-end funds.

IPOPEMA TFI intends to develop its activities in the following areas of active investment management: private companies, investments on regulated markets (mainly shares and derivatives) in Poland and abroad, investments on the property market in Poland and other countries of Central and Eastern Europe. In addition, new securitisation funds are to be launched. IPOPEMA TFI delegates administration of securitised claims to a specialised external company.

As regards public market transactions, IPOPEMA TFI intends to use the recommendations and analyses prepared by brokerage offices (in particular IPOPEMA Securities). In the case of investments in private companies, the investment process may be supported by the analysts of the Capital Markets Department of IPOPEMA Securities.

Development of Business and IT Consulting Operations

IPOPEMA Business Consulting has assumed a strategic goal of securing a significant position on the consultancy services market. The company has started its operations in Poland, but in a short term it intends to obtain advisory assignments on the Central and Eastern European market. In 2009 (the first year of the company's operations), IPOPEMA BC has already established working relationships with the first clients. Apart from obtaining further contracts, the company also plans to enter into cooperation with a few large clients, as well as to look for partners among global players on the consultancy and IT markets for the purpose of completing projects together.

IPOPEMA Business Consulting intends to further develop its activities in the following areas: business consultancy on strategy and operational management as well as IT consultancy on IT strategy and organisation, IT project management, implementations and integration of business applications developed by leading software producers (such as SAP). IPOPEMA BC plans to assist its clients in the resolution of complex business issues in such fields as management of the supply chain, management of production, planning and optimisation of the use of companies' resources, optimisation of companies' support functions (such as finance, human resources and payroll, IT, procurement). IPOPEMA Business Consulting will also run projects designed to optimise the use of the existing potential of IT applications and the implementation and integration of new IT solutions. IPOPEMA BC intends to obtain the status of a licensed partner of the largest global producers of software for businesses.

11.4 Main Products and Services and Key Clients

Brokerage Business

IPOPEMA Securities provides comprehensive services in the area of intermediation in securities trading on the WSE for Polish and foreign institutional clients that keep their assets at custodian banks. The Company's partners are both high-profile international financial institutions and leading local agents. IPOPEMA Securities' clients include the majority of significant Polish institutional investors, such as open-end pension funds, investment fund companies, asset management firms and insurers. Among the Company's foreign clients are both reputed international financial institutions and leading agents (including branches of the largest investment banks and local agents) representing foreign institutional investors. Given the substantial client diversification, the amount of commissions received in 2007-2008 from any of the clients did not exceed 15% of the Company's revenue in a given year.

In order to handle securities trading transactions for institutional clients IPOPEMA Securities cooperates with all key custodian banks present on the Polish market which provide custodian services to financial institutions.

The IPOPEMA Securities team responsible for secondary market trading is currently composed of 11 members (including a team of six brokers), all of whom can boast many years' relevant experience.

The Company's services falling within the scope of the brokerage business now include:

- accepting and executing orders to buy or sell securities

- services relating to transactions on foreign markets
- price stabilisation for issuers of securities
- market making on the secondary market of the WSE

Investment Banking Services

IPOPEMA Securities provides comprehensive investment banking services which involve preparing and executing transactions on the public and private capital markets. The Company focuses primarily on public offerings of securities, mergers and acquisitions and management buy-outs, capital raising through private placements (including pre-IPO placements), in particular with private equity funds and high-net-worth private investors who are prepared to bear increased investment risk, as well as financial advisory services.

The investment banking team comprises more than ten members, including directors (most of them have over ten years' capital market experience), managers (4-8 years of work on the capital market / financial services market) and analysts. The expertise of the team members, close working relationships in project execution as well as the quick and effective service ensured by IPOPEMA Securities, are highly appreciated by the Company's clients, which creates a basis for long-lasting cooperation in subsequent projects. Building long-term relationships often begins at the stage of preparing private companies for going public, and then extends to investor relations support, management of new equity offerings, and advice on the use of proceeds in new transactions designed to create shareholder value, as well as assistance in the sale of significant blocks of shares by company founders and major shareholders.

The investment banking services of IPOPEMA Securities are used by a wide variety of clients. The clients include companies already listed on the WSE, for whom IPOPEMA Securities prepares secondary offerings or provides advice on M&A transactions. The Company prepares and executes initial public offerings for private companies, advises such companies on M&A deals and capital raising, and provides financial advisory services. In addition, the Company arranges exits from investments for significant shareholders of public companies (both private individuals and legal persons), effected through the sale of shares on the WSE or private placements.

In 2006-2008, IPOPEMA Securities advised on 17 successfully completed deals, valued at approx. PLN 1.5bn in total. Considering all transactions executed since the beginning of the Company's operations (including also the history of DI IPOPEMA), IPOPEMA Securities cooperated with over 30 companies in transactions totalling in excess of PLN 2.3bn.

A noteworthy fact is that the IPOPEMA Securities team has a strong track record of advisory assignments concerning foreign investments, executed for both international clients and Polish companies. In 2004, DI IPOPEMA cooperated with Nomura International PLC on the sale of an equity interest in Impexmetal S.A., and in 2005 it advised EnBW of Germany on the acquisition of a Polish power sector operator. In 2007, the Company conducted the initial public offering of Automotive Components Europe S.A. of Luxembourg and advised PKM DUDA on the acquisition of a Ukrainian company, Rosan Agro.

As regards mergers and acquisitions, the Company's activity has been rather limited: since the beginning of its operations in 2006 IPOPEMA Securities executed two M&A deals, totalling approx. PLN 160m, and a few advisory assignments. Taking into account the operations of DI IPOPEMA and DM IPOPEMA, the Company has executed six M&A transactions with the aggregate value of approx. PLN 260m. However, it should be emphasised that with a view to developing this business segment, in September 2006 IPOPEMA Securities became the Polish member of Mergers Alliance. The total value of transactions completed by the Mergers Alliance members in 2007 exceeded EUR 4bn. The Company has strengthened its mergers and acquisitions team and is thus planning to leverage to a greater extent the potential offered by the Mergers Alliance membership.

An area of the Company's business that has not been developed to date is debt issuance services. The excellent conditions prevailing on the equity markets and the resultant easy access to capital on the stock exchange limited clients' interest in this type of transactions. However, given the more selective approach adopted recently by investors in respect of equity investments (in particular in IPOs), following the downturn on the equity markets, debt instruments may become an appealing alternative to companies that look for financing. IPOPEMA Securities' knowledge and experience in debt issuance deals will position the Company to quickly respond to demand for services relating to such transactions.

Detailed scope of investment banking services offered by IPOPEMA Securities:

Public equity offerings

IPOPEMA Securities advises companies on initial and secondary public offerings (IPOs and SPOs) and on the structuring of stock option schemes, and provides assistance to significant investors in the implementation of investment exit scenarios.

The range of services offered by IPOPEMA Securities as part of public equity offerings includes in particular:

- analysis of the company's situation and development of the capital raising strategy
- organisation of the issue process and supervision over its execution; coordination of work of other process participants
- assistance in the selection of other service providers necessary to complete the transaction
- valuation of the company
- financial advisory (including assistance in preparing financial projections, structuring, and defining the size of the offering)

- acting as the offeror
- advisory on compliance with the applicable corporate governance principles
- coordination of work on the preparation of the prospectus, including advisory on the drafting of the sections describing the company's business
- preparation of company presentations and arrangement of meetings with investors
- preparation of an analyst report
- cooperation in the preparation of the required documents and their submission with the relevant capital market institutions (Financial Supervision Authority, National Depository for Securities, Warsaw Stock Exchange)
- arrangement of and participation in distribution syndicates
- bookbuilding
- acceptance of subscription orders
- allotment of shares and settlement of the subscription
- post-offering support (preparation of materials for investors, arrangement of meetings, etc)

IPOPEMA has acted as the offeror and/or lead coordinator in the IPOs of the following companies: Wielton S.A. (value of the offering: PLN 70.0m, transaction closed in November 2007), Automotive Components Europe S.A. (PLN 256.0m, May 2007), Bakalland S.A. (PLN 39.8m, November 2006), Pamapol S.A. (PLN 66.0m, June 2006), Hygienika S.A. (PLN 21m, May 2004). IPOPEMA has also provided its services as the offeror in the following secondary public offerings: Alchemia S.A. (PLN 219.4m, August 2007), Octava S.A. (PLN 68.3m, July 2007) FAM Technika Odlewnicza S.A. (PLN 20.2m, March 2007), Hutmen S.A. (PLN 170.6m, February 2007) and Hygienika S.A. (PLN 7.0m, June 2007). In the capacity of the adviser the Company supported the following issuers in their secondary public offerings: PKM Duda S.A. (PLN 144.6m, April 2007), Unimil S.A. (PLN 68.0m, December 2004), Brok-Strzelec S.A. (PLN 47.5m, January 2004), Telmax S.A. (PLN 13.0m, March 2004), PKM Duda S.A. (PLN 43.0m, November 2003) and Ster-Projekt S.A. (PLN 84.9m, October 2003). In addition, IPOPEMA advised the sellers in the sale of significant block of shares: PKM Duda S.A. (PLN 120m, December 2006), ABG S.A. (transaction amount not disclosed, January 2006), PKM Duda S.A. (PLN 69m, December 2004), Inter Groclin Auto S.A. (two transactions: PLN 46.2m, August 2004 and PLN 18m, February 2004), and Nomura International (sale of its equity interest in Impexmetal S.A.; PLN 55.2m, February 2004).

The transactions listed above include assignments executed by both IPOPEMA Securities and DI IPOPEMA.

Mergers and acquisitions

IPOPEMA Securities offers comprehensive services relating to M&A transactions: from preparatory work, through to coordination of work of other advisers and support for the company throughout the process, and finally assistance in the negotiations and supervision over the finalisation of the deal. Advisory services in this area, offered by the Company both to public market and private market clients, include:

- identification of the targets/buyers
- advisory on the development of the strategy for the execution of the deal
- valuation of the target/company to be sold
- preparation of the information memorandum
- transaction structuring
- assistance in the preparation of the indicative and firm bids
- organisation of the due diligence process
- coordination of work of other service providers (auditors, legal adviser, tax adviser, sector experts)
- arrangement of the financing
- assistance in the negotiations
- all-inclusive organisation of the process and supervision over the execution of the deal
- services relating to tender offers (for public companies)

IPOPEMA Securities acted as the adviser to PKM Duda S.A. on two transactions: acquisition of Rosan Agro of Ukraine (value of the transaction: USD 16.1m, completion: April 2007) and acquisition of Stoł Polski S.A. (PLN 27.5m, November 2006), and advised a public company on an M&A deal (PLN 120m, November 2007). As part of DI IPOPEMA's operations the Company's team assisted the following companies in M&A transactions in the capacity of an adviser: Centrum Mięsne Makton Sp. z o.o. (PLN 5.3m, May 2005), the founder of Solaris Bus & Coach Sp. z o.o. (leveraged buy-out, PLN 54.2m, April 2005), and Telmax S.A. (PLN 10m, March 2004), and executed advisory projects involving an analysis of

potential deals for a number of clients, including companies from the food and drink, personal care, construction materials, insurance and public utility sectors. Furthermore, in February 2007 IPOPEMA Securities arranged a tender offer for Wilbo S.A. shares for Pamapol S.A.

Capital raising on private markets

IPOPEMA Securities provides advisory on capital raising on private markets, in particular from private equity funds and through pre-IPO placements, as well as on the acquisition of debt financing from banks, mezzanine funds or hedging funds. The Company also advises clients on the ways of obtaining financing required to complete leveraged buy-outs, including management buy-outs. In the area of advisory on capital raising on private markets the Company's offering includes:

- analysis of the company's situation
- development of the strategy for the execution of the transaction
- financial advisory (including assistance in preparing financial projections, an economic and financial analysis of the transaction effects)
- company valuation
- preparation of the business plan / information memorandum / presentations
- contacts with the potential providers of capital (private equity funds, banks, investment funds, private investors)
- assistance in the negotiation of the transaction structure and terms with the investors/ banks
- bookbuilding (depending on the transaction type)
- acceptance of subscription orders (depending on the transaction type)
- allotment of shares and settlement of the subscription (depending on the transaction type)

The IPOPEMA's team advised the founder of Solaris Bus & Coach Sp. z o.o. on the acquisition of mezzanine financing for the buy-out of 82.32% of shares in the company and on the arrangement of operational funding in the form of a bank loan for the company (PLN 181.5m in aggregate). The Company also executed an advisory assignment related to a debt financing transaction.

Debt issuance

IPOPEMA Securities' offering includes comprehensive services relating to the acquisition of financing by way of bond issues (in particular on the public market), including issues of convertible bonds. The scope of the Company's services in such transactions includes:

- analysis of the company's situation and development of the capital raising strategy
- organisation of the overall process and supervision over its execution; coordination of work of other process participants
- assistance in the selection of other service providers necessary to complete the transaction
- financial advisory (including assistance in preparing financial projections)
- advisory on the definition of the terms of the offering
- preparation of the offering documents
- preparation of presentations of the company and the offering, arrangement of meetings with investors
- cooperation in the preparation of the required documents and their submission with the relevant capital market institutions
- bookbuilding
- acceptance of subscription orders for bonds
- allotment of bonds and settlement of the subscription

In April 2005, IPOPEMA completed an offering of bonds on the public market for Polskie Składy Budowlane S.A.

Advisory on financial restructuring

In financial restructuring transactions IPOPEMA Securities provides comprehensive support to its clients at all stages of the process. The Company's services in this area include:

- analysis of the restructuring requirements – an initial assessment of the internal situation at the company
- development of the recovery plan concerning financial restructuring
- cooperation in the development of the strategy of negotiations with the creditors
- preparation of the recovery process documents:

- information memorandum and financial restructuring plan
- financial projections
- estimation of the anticipated effects and costs of the restructuring
- cooperation in the drafting of applications for the commencement of recovery proceedings or arrangement in bankruptcy
- negotiation and approval of the restructuring plan

As part of financial restructuring processes IPOPEMA Securities also provides advice on selecting and creating financial instruments to be used in the restructuring plan, including conversion of debt into equity or convertible bonds, issue of shares to the existing shareholders, or finding a strategic investor or private equity fund.

Other services

IPOPEMA also offers specialised corporate finance services, including :

- company valuations (using the comparable and discounted cash flow methods)
- advisory on the assessment of the possibility of raising capital on the public or private market and on the development of the optimum financing structure
- investor relations support for the companies listed on the WSE

Research and Recommendations

The Research Office team, currently composed of seven persons (the majority of whom have over five years' capital market / financial services market experience), supports the Brokerage Department with analyst reports and recommendations concerning selected companies listed in the WSE or reports prepared for the purposes of IPOs of the issuers using IPOPEMA Securities' services. The reports and recommendations are offered to the clients of IPOPEMA Securities free of charge, and after seven days from their release to the clients are made available to the public (excluding IPO reports). Currently the Research Office is covering approx. 150 companies, mainly from the following sectors: banking, construction, property development, IT, retail, construction materials and food and drink industry. Research products of IPOPEMA Securities include:

- analyst reports and recommendations
- comments on the current developments at companies (periodic financial results, corporate developments)
- cyclical reports (e.g. investment strategies)
- recommended investment portfolios (prepared to the order of a client)

Creation and Management of Investment Funds

Asset management services are provided by IPOPEMA TFI, whose operations focus on the creation and management of closed-end investment funds. At present IPOPEMA TFI manages 32 closed-end private equity funds, including two active management funds (absolute return funds, whose investment objective is to generate rates of return in excess of the yields offered by bank deposits, in all market conditions, by using a broad spectrum of capital market instruments), one securitisation fund (whose investment policy provides for investments in bad and doubtful debt, for which the existing creditors made relevant provisions in their books), and one open-end investment fund (operated in cooperation with Alior Bank). IPOPEMA TFI's offering is planned to be expanded to include other:

- dedicated (passive) closed-end private equity funds, addressed to high-net-worth individuals and corporate clients who will take an active part in the making of investment decisions through the governing bodies of the funds
- closed-end active management investment funds

IPOPEMA TFI does not rule out the creation of further funds addressed to specific client groups. Applications have been filed with the Financial Supervision Authority for the registration of a securitisation fund and a real estate fund.

IPOPEMA TFI's team is currently composed of 18 members. Most of them have many years' experience gathered at the largest institutions of Polish capital market, such as PZU Asset Management, Skarbiec TFI, PKO TFI, Millennium TFI or BRE Bank.

IPOPEMA TFI intends to put strong emphasis on the following properties of its investment funds:

- legal security of the fund's assets (e.g. as part of wealth management)
- unit holders' ability to exert influence on selected aspects of the fund's operations by participating in the governing bodies of the fund (general meeting, investors council)
- increased anonymity of the unit holders

- deferral of income tax on gains realised by the fund until the withdrawal of assets by the unit holders
- flexible investment policy ensured by investing the funds' assets in public and private assets

IPOPEMA TFI's offering is targeted primarily at wealthy individual clients (having assets to the order of tens or hundreds of million zloty). They include in particular the major shareholders of companies listed on the WSE or large private enterprises.

In May 2008, IPOPEMA TFI signed an agreement with Alior Bank on the basis of which in March 2009 it launched an open-end umbrella fund for the Bank's clients – Alior Specjalistyczny Fundusz Inwestycyjny Otwarty (Alior SFIO). The Bank will act as the distributor of the fund units and is responsible for the strategy of launching new subfunds of Alior SFIO. The responsibilities of IPOPEMA TFI include management of the subfunds' asset portfolios and administration of the fund.

Business Consultancy Services

IPOPEMA Business Consulting (IPOPEMA BC) concentrates on services to clients from the following sectors: industrial, energy, consumer goods, trade and distribution, IT and telecommunications.

In addition to strategic advisory services (such as development and review of business strategies, development of the operational strategies, creation of organisational structures, definition and implementation of technological strategies) IPOPEMA BC's offering includes advisory on the creation, implementation and optimisation of business processes at all levels of the value chain. The key product lines of IPOPEMA BC are as follows:

- I. business consultancy (strategy and operational management) on:
 - strategy, organisation, and management
 - mergers and acquisitions (in the area of post-merger integration)
 - shared services centres and outsourcing
 - management of the logistics chain
- II. IT consultancy on:
 - IT management and technologies
 - business applications
 - dedicated solutions (specialised industry solutions)

11.5 Legal Regulations Governing the Activity of Brokerage Houses and Investment Fund Companies

The activity of brokerage houses in Poland is primarily regulated by the Act on Trading in Financial Instruments, including in particular the provisions stipulated in Part IV Chapter 1 Section 2 of this Act, as well as by extensive secondary legislation issued thereunder and stipulating the rules on which brokerage houses may participate in the capital markets, including in particular the Regulation of the Council of Ministers on the operating procedures to be followed and conditions to be met by investment firms and custodian banks, dated December 28th 2005 (Dz.U. of 2006, No. 2, item 8). Certain provisions of the Public Offering Act also apply to the activity of brokerage houses, particularly those referring to the intermediation of investment firms in the execution of public offerings and tender offers. Brokerage houses are regulated by the Polish Financial Supervision Authority in accordance with the Act on Capital Market Supervision. Moreover, the provisions of the Commercial Companies Code apply to brokerage houses as they may pursue their activities in the form of both partnerships and incorporated companies.

The activity of investment fund companies is primarily regulated by the Investment Funds Act and secondary legislation thereto. Investment fund companies are entities regulated by the Polish Financial Supervision Authority in accordance with the Act on Capital Market Supervision. Moreover, as an investment fund company may operate exclusively in the form of a joint-stock company, certain provisions of Part 2 of the Commercial Companies Code, concerning the activities of joint-stock companies, apply to investment fund companies.

11.6 Sources of Revenue

IPOPEMA Securities derives its revenue from the following activities:

- trade in securities, and
- investment banking, including execution of public offerings, mergers and acquisitions, as well as other advisory services.

Revenue (PLN '000)	2005	2006	2007	2008*	H1 2007	H1 2008
Revenue from securities trading	-	8,007	64,530	47,013	30,871	27,462
Revenue from arrangement and execution of public offerings	-	2,353	10,088	1,157	8,444	505
Revenue from executed M&A transactions/ Other financial advisory	-	25	6,259	1,049	879	522
Total revenue	-	10,385	80,877	49,219	40,194	28,489

*According to estimates presented in Section 9.1 of the Prospectus.

The basic item of the Company's revenue comprises commission on transactions in securities which amounted to PLN 8,007 thousand in 2006, PLN 64,530 thousand in 2007, and PLN 47,013 thousand in 2008 (PLN 27,462 thousand in H1 2008). The share of this revenue item in total revenue was 77.1%, 79.8% and 95.5% (96.4% in H1 2008), respectively. Revenue from arrangement and execution of public offerings stood at PLN 2,353 thousand in 2006, PLN 10,088 thousand in 2007, and PLN 1,157 thousand in 2008 (PLN 505 thousand in H1 2008) and represented 22.7%, 12.5% and 2.4% (1.8% in H1 2008), respectively, of total revenue. The Company also generated revenue from M&A transactions and other financial advisory in amounts of PLN 25 thousand in 2006, PLN 6,259 thousand (7.7% of total revenue) in 2007, and PLN 1,049 thousand in 2008 (PLN 522 thousand in H1 2008), which represented 2.1% of total revenue in 2008 (1.8% in H1 2008).

IPOPEMA TFI obtained the authorisation from the PFSA to conduct its activities in Q3 2007. Therefore, in 2007 the company recorded total revenue of PLN 249 thousand (including other operating income of PLN 180 thousand). In 2008, IPOPEMA TFI reported revenue of PLN 4,420 thousand (PLN 1,706 thousand in H1 2008).

11.7 New Products

The dynamically growing market for derivatives attracts a growing interest from institutional investors. Accordingly, in December 2007 IPOPEMA Securities extended its service mix with intermediation in futures concluded on the WSE.

The Company also intends to develop its brokerage business on foreign markets. Currently, the scale of transactions executed through the agency of local brokers is limited, but the Company plans to launch brokerage activities as a remote member in the stock exchanges in Budapest (H1 2009) and Prague (by the end of 2009), which will enable the Company to extend a more comprehensive offering to its clients.

In order to make its brokerage offering more attractive, the Company has implemented the FIX protocol supporting more streamlined communication between the broker and the client.

In February 2009, the Market Making and Proprietary Trading Department launched its activities. Thus IPOPEMA Securities' has become able to provide market making services on the WSE.

The Company will also enhance its offering by adding comprehensive capital raising services. As part of such services, following a preliminary analysis of a company's standing and business plans, IPOPEMA Securities will assist its clients by developing capital raising strategies based on public offerings or private placements.

Since the beginning of 2009, the IPOPEMA Group added strategic and business advisory services to its offering; these new services are provided by IPOPEMA Business Consulting. For details on IPOPEMA Business Consulting's product mix, see Section 11.4.

Given the decline of the economy and financial markets, as well as deteriorating financial standing and liquidity of businesses, corporate demand for financial restructuring advisory services has been growing. Thanks to the extensive relevant experience of the Company's team, IPOPEMA Securities has promptly added this type of services to its offering.

11.8 Main Suppliers

The main supplier to IPOPEMA Securities is Mennica Polska S.A., from which the Company leases office space; in 2008, the cost of lease of office space, IT infrastructure and other services represented 2.4% of the Company's operating expenses (the share of no other supplier in the Company's total operating expenses exceeded 2%). The largest item of the Company's operating expenses comprises fees for transactions execution and settlement, payable to Gielda Papierów Wartościowych w Warszawie S.A. (23.6% in 2008), as well as membership fees and transaction settlement fees payable to Krajowy Depozyt Papierów Wartościowych S.A. (4.9% in 2008).

The fees payable to the Warsaw Stock Exchange and the Polish NDS are necessary to provide brokerage services related to securities trading on the WSE. Thus the Company is somewhat dependent on these two institutions, which is typical of any entity providing brokerage services on the Polish market.

12. MATERIAL AGREEMENTS OF THE COMPANY AND IPOPEMA TFI

All the agreements discussed in this Section are directly related to the Company's business scope as defined in its Articles of Association and have been concluded in the ordinary course of business. The agreements are of vital importance for the proper functioning of the Company. In the opinion of the Management Board, information on the agreements described below may be relevant for Investors' assessment of the nature and special character of the Company's business.

12.1 Agreements Related to Operating Activities

1/ Agreements on the Provision of Brokerage Services to Clients for Whom Banks Being Direct Participants of the Polish NDS Operate Securities Accounts

As part of its business, the Company and its clients whose securities accounts and cash accounts are operated by custodian banks enter into agreements on provision of brokerage services on the basis of a standard agreement form. IPOPEMA Securities is obliged to enter into agreements on placement of buy or sell orders for securities and provide other brokerage services in its own name but for the account of a customer in accordance with the "Rules of Brokerage Services Provision by IPOPEMA Securities". The condition for placement of orders by the customer is the existence between the Company and the custodian bank of an agreement on delivery of broker-traded financial instruments and a payment guarantee agreement. The Company is not liable for the consequences of execution of the customer's orders or instructions as long as it acted as directed by the customer. Any expenses and losses incurred by IPOPEMA Securities in connection with incorrect settlement of or failure to settle a transaction are covered by the clients, save for these losses which are attributable to negligence on the part of the Company. For its services, the Company charges fees and commissions, payable at the time of transaction settlement, in line with the IPOPEMA Securities Fee and Commission Table.

As at the Prospectus approval date, the Company was party to several dozen such agreements.

2/ Agreements on Provision of Services Consisting in Execution of Buy or Sell Orders for Foreign Securities to Clients of Custodian Banks

As part of its business, IPOPEMA Securities enters with its clients into agreements on provision of services consisting in the execution of buy or sell orders for foreign securities, on the basis of a standard agreement form. Under such agreements, the Company undertakes to enter – in its own name but for the account of a customer – into agreements on placement of buy and sell orders for foreign securities on certain foreign regulated markets. Under the agreements, the Company has the duty to: (i) accept orders and instructions to sell or buy foreign securities placed by the customer in accordance with the agreement and the rules governing provision of services consisting in execution of buy or sell orders for foreign securities to clients of custodian banks, and place relevant orders on their basis, and (ii) cancel orders in line with the orders and instructions given by the customer. To ensure correct performance of the agreement, the customer grants the Company unconditional and irrevocable powers of proxy to execute and cancel orders in line with the orders and instructions given by the customer. Under the agreement, IPOPEMA Securities is not liable for: (i) the consequences of execution of the customer's orders and instructions as long as it acted as directed by the Customer; (ii) incorrect execution or failure to execute the customer's instruction placed via telephone or fax due to defective transmission or interrupted connection; (iii) suspension or non-settlement of a transaction due to lack of sufficient funds as shown by the register or the balance in the customer's cash account. For the services provided under the agreement, the customer is obliged to pay commission in line with IPOPEMA Securities' Fee and Commission Table. The agreement is concluded for an indefinite period and can be terminated by either party on 14 days' notice.

As at the Prospectus approval date, the Company was party to several such agreements.

3/ Agreements on Acting as the Offeror of Securities and on Provision of Other Advisory Services

The Company is party to more than a dozen agreements, providing for: (i) advisory services in connection with capital raising transactions and public offerings, and advisory services consisting in acting as the offeror of securities, and (ii) advisory services in connection with other transactions related to the securities market, debt capital raising transactions for private investors, and M&A transactions, and (iii) other financial advisory services. The agreements contain standard clauses, and the fees specified therein, comprising a fixed component and a success fee defined as (i) a percentage of the transaction value (in the case of public offerings, sale of a business) or of the amount of financing raised (in the case of debt financing) or (ii) a fixed amount whose payment is contingent upon whether a transaction is actually effected and upon the purchase price of the acquired company (in the case of M&A transactions), or (iii) as a lump-sum fee (in the case of financial advisory services), do not differ from standard market rates.

12.2 Agreements Related to Brokerage Activities

1/ Agreement with Payment Bank on Cash Settlement of Transactions in Securities and Provision of Payment Bank Services for a Participant without an Account with the Clearing Bank, executed on October 18th 2006 between the Company and Kredyt Bank S.A.

The agreement concerns the provision by Kredyt Bank S.A. to the Company of Payment Bank services with respect to clearings related to cash settlement of transactions of sale and purchase of securities in organised trading on a regulated market or an alternative trading system, or of other transactions carried out by IPOPEMA Securities in connection with its liabilities to or receivables from the Polish NDS. For the services

provided under the agreement, Kredyt Bank S.A. collects a monthly commission whose amount does not differ from amounts typically charged on the market. The agreement has been concluded for an indefinite period and can be terminated by either party on 45 days' notice, and in the event of a material breach of its terms by the other party – without notice.

2/ Custodian Services Agreement of May 29th 2007 between the Company and Kredyt Bank S.A.

Under the agreement, Kredyt Bank S.A. provides the Company with the following services: (i) opening and operating of a securities account and securities register, (ii) settlement of transactions concluded by the Company on and outside a regulated market, (iii) exercise of rights attached to securities held on the Company's behalf, in particular in connection with redemption of securities by an issuer and payment of interest, (iv) carrying out other instructions related to securities held. The agreement contains standard authorisations for the Bank to perform specific activities with respect to the Company's account in order to properly perform the agreement. For Kredyt Bank S.A.'s services the Company is obliged to pay fees and commissions as set forth in the Fee and Commission Table of Kredyt Bank S.A. concerning operation of securities accounts. The agreement has been concluded for an indefinite period and can be terminated by either party on 14 days' notice. In special circumstances, e.g. if false documents and information or documents and information containing untrue statements are provided, the Bank may terminate the agreement with immediate effect.

3/ Membership Agreement with the Budapest Stock Exchange

On April 22nd 2008, the Company and the Budapest Stock Exchange entered into a membership agreement. The agreement sets forth the rights and obligations of the parties related to trading in shares as well as the conditions to be met to enable such trading and the exercise of the members' rights. The agreement was concluded for an indefinite period. It took effect on May 20th 2008, i.e. the date specified in the Resolution of the Budapest Stock Exchange dated June 2nd 2008.

4/ Agreements with Deutsche Bank

On November 6th and 20th 2008, the Company and Deutsche Bank ZRT. of Hungary and Deutsche Bank AG of Germany entered into a series of agreements (mainly of technical nature), providing for, among other things, the services related to settlement of transactions executed on the Budapest Stock Exchange (BSE), operation of a securities account and cash accounts for IPOPEMA Securities and use of Deutsche Bank's IT system to perform concluded agreements. Pursuant to the agreement on the services related to settlement of transactions, the aggregate three-day transaction limit (net) is HUF 1,875,000,000. The limit may be increased if so requested by the Company, provided that the Company provides additional margin (with respect to the agreed limit the required margin is HUF 300,000,000). The transaction settlement agreement, as the principal agreement, can be terminated at the agreed notice, but in certain circumstances specified in the agreement the bank may terminate it with immediate effect. Such circumstances include: (i) lack of sufficient funds in the Company's accounts at the time of transaction settlement, (ii) exceeding the daily transaction limit without the bank's consent, or (iii) change of the shareholder structure by 5% or more without prior notice to the bank. Moreover, if an event entitling the bank to terminate the agreement with immediate effect occurs, the bank has the right to suspend the Company as a member of the BSE.

5/ Agreement on the Provision of Payment Bank Services by Alior Bank S.A. for a Polish NDS Participant Without an Account with the Clearing Bank, executed on February 6th 2009 between the Company and Alior Bank S.A.

The agreement provides for Alior Bank S.A.'s acting as payment bank for the Company with respect to clearings related to cash settlements (in the Polish zloty) of transactions of purchase and sale of financial instruments in organised trading on a regulated market and of other transactions carried out by IPOPEMA Securities in connection with its liabilities to or receivables from the Polish NDS. Based on the agreement, the Company granted Alior Bank S.A. powers of attorney over all the bank accounts operated by Alior Bank S.A. for the Company. In addition, Alior Bank S.A. may set off its outstanding receivables from Company, connected in particular with the settlement of transactions in securities executed by the Company, against the amounts owed by Alior Bank S.A. to the Company under the bank account agreements between the parties. For its services, on the last business day of each month Alior Bank S.A. collects fees and commissions as defined in its fee and commission table. The agreement was concluded for an indefinite period, and can be terminated by either party on 30 days' notice.

12.3 Loan and Guarantee Agreements

1/ Agreement of July 25th 2007 on Working Capital Facility (Credit Line) in a Trading Account, concluded between Kredyt Bank S.A. and the Company, amended by an Annex of July 28th 2008

The Agreement provides for a short-term working capital facility of up to PLN 20,000,000, granted by Kredyt Bank in the Company's trading account operated by Kredyt Bank, to finance the repayment of the Company's liabilities with respect to the Polish NDS, related to the settlement of transactions executed on a regulated market and other transactions carried out under the Agreement with the Payment Bank. The used portion of the loan bears interest at a variable rate, based on WIBOR O/N plus the bank's margin. The Bank also charges a commission for the unused part of the loan amount, and the Company is obliged to reimburse the Bank for its contribution to the Bank Guarantee Fund made in the amount determined according to the Bank Guarantee Fund's regulations. The facility repayment date is July 23rd 2009, with an option to extend the agreement for another 12 months (not more than five times). The amounts outstanding under the working capital facility agreement are secured with a blank promissory note and the blocking of the trading account where the Company's own funds have been deposited in the amount of PLN 10,000,000 to be allocated first for transaction settlements with the Polish NDS. If the Company's own funds are insufficient, the funds from

the Company's PLN 20,000,000 line of credit may be used. In addition, the Company made a representation on submission to enforcement up to PLN 26,000,000. In the event of sale of the Company shares, Kredyt Bank may terminate the Agreement if it considers that the sale may have a negative effect on the Company's economic standing. Under the Agreement, Kredyt Bank granted its approval for the sale of the Company shares by Jacek Lewandowski, on condition that Mr Lewandowski retains a direct or indirect interest in the Company of no less than 25%. In other respects, the Agreement's termination is governed by Kredyt Bank's General Terms and Conditions of Lending.

2/ Agreement of July 25th 2007 on Working Capital Facility (Credit Line) in the Guarantee Fund Servicing Account, concluded between Kredyt Bank S.A. and the Company, amended by an Annex of July 28th 2008

The Agreement provides for a working capital facility of up to PLN 70,000,000, granted by Kredyt Bank in the Company's account dedicated to servicing the Guarantee Fund, to secure mandatory supplementary payments to the Guarantee Fund. The used portion of the loan bears interest at a variable rate, based on WIBOR O/N plus the bank's margin. The Bank also charges a commission for the unused part of the loan amount, and is entitled to charge the Company for the amount of its contribution to the Bank Guarantee Fund, made in the amount determined according to the Bank Guarantee Fund's regulations. The facility repayment date is July 22nd 2009, with an option to extend the agreement for another 12 months (not more than five times). The amounts outstanding under the working capital facility agreement are secured by blocking the Guarantee Fund servicing account up to the amount of PLN 50,000,000 and the Company's representation on submission to enforcement up to PLN 65,000,000. In the event of sale of the Company shares, Kredyt Bank may terminate the Agreement if it considers that the sale may have a negative effect on the Company's economic standing. Kredyt Bank granted its approval for the sale of the Company shares by Jacek Lewandowski, on condition that Mr Lewandowski retains a direct or indirect interest in the Company of no less than 25%. In other respects, the Agreement's termination is governed by Kredyt Bank's General Terms and Conditions of Lending.

12.4 Agreements Concerning IT Infrastructure

The Company is party to more than a dozen agreements whose subject matter concerns IT infrastructure and whose execution is important from the point of view of the Company's proper functioning. These include in particular: (i) agreement on sale of a licence for, and implementation and maintenance of, stock exchange transactions settlement system used by the Company, (ii) agreements with the WSE on access to the stock exchange IT systems and provision of related maintenance services, (iii) agreements with the Polish NDS on generation and delivery of accounting and settlement documents in a standard compatible with the IT system used by the Polish NDS, (iv) agreements with providers of online trading and information services, as well as (v) agreements on lease and maintenance of data transmission and telecommunication lines.

12.5 Other Material Agreements

Investment Agreement of August 26th 2008 between the Company, Eliza Łoś-Strychowska and Tomasz Rowecki, amended by annexes of September 29th 2008, January 6th 2009, and March 30th 2009

The agreement defines the rules of cooperation between the parties in connection with a plan to set up a company under the name of "IPOPEMA Business Consulting Sp. z o.o.". Pursuant to the agreement, IPOPEMA Securities agreed to establish a limited liability company under the name of IPOPEMA Business Consulting and to take every effort to procure the company's registration by December 31st 2008. Concurrently, IPOPEMA Securities agreed to pay PLN 50,000 to cover the company's share capital, and acquire 100% of the shares with the par value of PLN 50 per share. The shares in the company were to be paid up with a cash contribution of PLN 3,000,000, of which PLN 2,950,000 was to be transferred to the reserve funds. IPOPEMA Securities agreed to adopt a resolution on increasing the company's share capital to PLN 150,000 on or before July 1st 2009. The parties agreed to acquire the shares in the increased share capital in the following manner: Eliza Łoś-Strychowska and Tomasz Rowecki ("the Investors") would each acquire 500 shares with a par value of PLN 50 per share, representing 24.99% of the total vote at the company's general shareholders' meeting, and IPOPEMA Securities would acquire one share with a par value of PLN 50. The agreement contains detailed provisions defining the functioning of the company and its governing bodies and the voting majorities required to adopt relevant resolutions. The agreement provides for a call option whereunder in cases specified in the agreement the Investors would be obliged to sell all their shares to IPOPEMA Securities for the price at which they acquired the shares. To secure the performance of this obligation, each Investor submitted an irrevocable, conditional offer to sell all the shares, valid for five years from the shares acquisition date. Moreover, the parties agreed not to conduct activities competitive with the business of IPOPEMA Business Consulting subject to a contractual penalty of PLN 50,000 for each month when a breach of such non-compete obligation continues. The non-compete obligation expires 12 months after the day on which a given party ceases to be a shareholder in IPOPEMA Business Consulting. The agreement was concluded for an indefinite period, with a reservation that it would expire if the two Investors or IPOPEMA Securities cease to be shareholders in the company. As at the Prospectus approval date, the Company held 100% of shares in IPOPEMA Business Consulting, and the shares had been paid up in line with the agreement. The Company's target shareholding in IPOPEMA Business Consulting is 50% plus 1 share. The remaining shares will be acquired by the Investors.

12.6 Material Agreements of IPOPEMA TFI

1/ Agreements on Maintenance of Asset Registers

IPOPEMA TFI is party to more than a dozen agreements with Raiffeisen Bank Polska S.A., which at the request of each fund, for a fee specified in the agreement (whose amount does not differ from standard market rates), maintains an asset register, thus acting as a custodian. The agreements define in particular the parties' duties and obligations regarding the maintenance of a fund assets' register, holding the assets in custody, determining a fund's net asset value, purchase and sale of a fund's assets, making settlements under agreements concerning a fund's assets.

2/ Agreements on Establishment of Funds

IPOPEMA TFI has concluded with its clients more than a dozen agreements on establishment of funds which define the terms of cooperation between the parties amongst other things with respect to development of the operating concepts for the funds, development of the investment policies for the funds, handling of the process of obtaining the PFSA's authorisation to establish a fund, use of legal, tax and financial advisory services and carrying out issues of investment certificates. In exchange for the establishment and management of the funds, IPOPEMA TFI receives a fee whose amount does not differ from standard market rates.

3/ Cooperation Agreement with Alior Bank S.A.

On May 27th 2008, IPOPEMA TFI and Alior Bank S.A. (the Bank) entered into a cooperation agreement concerning the establishment by IPOPEMA TFI, in consultation with the Bank, of a specialised umbrella open-end investment fund ("the Fund"). On the terms defined in the agreement, the parties agreed to take the necessary steps to ensure proper operation of the Fund, including distribution and promotion of investment fund units, management of the Fund's investment portfolio, and coverage of its operating costs. IPOPEMA TFI undertook that as part of the process of establishment of the Fund it would – in cooperation with the Bank – prepare the required documents, apply to the PFSA for the authorisation to establish the Fund, and handle the proceedings at the PFSA concerning the issue of the authorisation. For these activities, the Bank is to pay IPOPEMA TFI a fee specified in the agreement, amounting to no less than PLN 60,000 and no more than PLN 120,000 with respect to each sub-fund. The Bank agreed to procure that subscriptions and payments for the units in each sub-fund are made for a total amount of at least PLN 4,000,000 and that promotion and advertising activities with respect to the sub-funds are undertaken. The Bank also undertook that for a period specified in the agreement, but in any case no longer than until September 30th 2010, it would not take any steps aimed at creation in Poland by an investment fund company other than IPOPEMA TFI, of an investment fund whose units would be distributed among the Bank's clients or its related parties or an investment fund using the Bank's name or another trade name or trademark owned by the Bank or its related party. Moreover, the Bank agreed not to grant any investment fund company other than IPOPEMA TFI a permit to use the Bank's name or another trade name or trademark owned by the Bank or its related party to designate a fund operating in Poland. The agreement will remain in force as long as the Fund continues to operate.

13. PROPERTY, PLANT AND EQUIPMENT AND ENVIRONMENTAL PROTECTION

The Company does not have any items of property, plant and equipment of material unit value and as at this Prospectus approval date it does not intend to purchase any material items of property, plant and equipment. As at December 31st 2007, the aggregate value of property, plant and equipment was PLN 1,280 thousand, which included mainly computer hardware (PLN 798 thousand) and technical equipment (PLN 392 thousand). In view of the fact that the share of property, plant and equipment in the Company's balance-sheet structure as at the end of 2007 was 2%, it does not qualify as material property, plant and equipment.

Due to their nature, the Company's operations have no environmental impact, and the requirements following from the environmental protection regulations do not affect the Company's use of its property, plant and equipment.

The real property at ul. Waleców 11 in Warsaw, where the head offices of the Company and IPOPEMA TFI are located and where the two companies conduct their activities, is owned by Mennica Polska (the Polish Mint). The Company and IPOPEMA TFI lease the premises with an aggregate area of 1,000m² under lease agreements of June 1st 2006 and May 10th 2007, respectively. Under the lease agreements, the rent for 1m² does not differ from the standard market rates. These agreements were concluded for a definite period of time ending January 14th 2010, and may be terminated early in the circumstances specified therein.

14. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

With the exception of licenses for the transaction platform software and operating system software, the Company does not use any other licenses and it does not hold any patents or registered utility models. In consequence, the Company does not identify its dependence on any patents or licenses. The Company also does not identify its dependence on any industrial, trade or financial agreements – such agreements to which the Company is party, in the event of their termination by an existing business partner can be replaced, in a relatively short period of time, by agreements with other entities.

In August 2007, the Company submitted an application to the Polish Patent Office to register "IPOPEMA" as its trademark. In accordance with the applicable regulations, as of the date of submitting the application to register the trademark and making all the payments required with respect to such application, the Company benefits from the priority right to trademark registration. On January 30th 2009, the Polish Patent Office issued a decision to grant the Company the right of protection with respect to the text and graphic trademark "IPOPEMA".

15. HISTORY AND DEVELOPMENT OF THE ISSUER

15.1 Legal and Commercial Name of the Issuer

The Company operates under the name of IPOPEMA Securities Spółka Akcyjna. The Company may use the abbreviated name of IPOPEMA Securities S.A.

15.2 Place of Registration of the Issuer and Its Registration Number

The Company is registered in the National Court Register under entry No. KRS 0000230737.

15.3 Date of Incorporation and Length of Life of the Issuer

On March 2nd 2005, a joint-stock company under the name of Dom Maklerski IPOPEMA Spółka Akcyjna was established. On the basis of a decision issued by the District Court for the Capital City of Warsaw in Warsaw, XII Commercial Division of the National Court Register, on March 22nd 2005 the Company was entered in the National Court Register under entry No. KRS 0000230737.

On August 10th 2006, the Company's Extraordinary General Shareholders' Meeting adopted Resolution No. 5 introducing amendments to the Company's Articles of Association. One of the amendments provided for changing the Company's name to IPOPEMA Securities Spółka Akcyjna.

The Company was established for an indefinite time.

15.4 Domicile and Legal Form of the Issuer

City of registered office:	Warsaw
Country of incorporation:	Poland
Legal form:	Joint-stock company
Address of registered office:	ul. Waliców 11, 00-851 Warsaw, Poland
Phone No.:	+48 0 (22) 583 92 98
Fax No.:	+48 0 (22) 583 92 97
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The Company operates under the Polish law.

15.5 Important Events in the Development of the Issuer's Business

On March 2nd 2005, a joint-stock company under the name of Dom Maklerski IPOPEMA Spółka Akcyjna was established with the share capital of PLN 700,000. The share capital was divided into 700,000 Series A registered shares. All shares in the Company were acquired by Dom Inwestycyjny IPOPEMA S.A. On the basis of a decision issued by the District Court for the Capital City of Warsaw in Warsaw, XII Commercial Division of the National Court Register, on March 22nd 2005 the Company was entered in the National Court Register under entry No. KRS 0000230737.

Having reviewed the Company's application, on June 30th 2005, the Polish securities and exchange commission Komisja Papierów Wartościowych i Giełd issued Decision DDM-M-4020-60-1/2005, under which the Company was granted the licence to conduct brokerage activities. On the basis of this licence, the Company started activity in the business of offering financial instruments in October 2005.

In August 2006, an experienced team of brokers joined the Company. Relying on that team's expertise, in October 2006 IPOPEMA Securities started activity in the area of intermediation in equities trading on the secondary market.

On August 10th 2006, the Company's Extraordinary General Shareholders' Meeting adopted Resolution No. 2 concerning a share capital increase. By virtue of this resolution, the Company's share capital was increased by PLN 174,780 through the issue of 174,780 Series B registered shares with a par value of PLN 1 per share, carrying preference as to the voting rights and dividend payment. Under Resolution No. 1 of the Company's Extraordinary General Shareholders' Meeting, the pre-emptive rights of the then sole shareholder were disapplied with respect to Series B shares. Series B shares were acquired in a private placement by: (i) Manchester Securities Corp. of New York, NY, USA (87,390 shares) and (ii) Mr Jacek Lewandowski (87,390 shares). On September 12th 2006, the District Court for the Capital City of Warsaw, XII Commercial Division of the National Court Register, issued a decision on registration of the share capital increase. The same Extraordinary General Shareholders' Meeting adopted Resolution No. 4 concerning a share capital increase through the issue of 1,982,361 Series C registered shares with a par value of PLN 1 per share, carrying preference as to the voting rights and dividend payment. Under Resolution No. 3 of the Company's Extraordinary General Shareholders' Meeting, the pre-emptive rights of the then existing Company shareholders were waived with respect to Series C shares. Series C shares were acquired in a private placement by: (i) Manchester Securities Corp. of New York, NY, USA (769,752 shares) and (ii) Mr Jacek Lewandowski (1,212,609 shares). On December 18th 2006, the District Court for the Capital City of Warsaw, XII Commercial Division of the National Court Register, issued a decision on registration of the capital increase. As a result of those share capital increases, Mr Jacek Lewandowski (holding 1,299,999 Company shares, representing 45.5% of the total vote at the Company's GM) and

Manchester Securities Corp. (holding 857,142 Company shares, representing 30% of the total vote at the Company's GM) became new shareholders in the Company and the original sole shareholder, Dom Inwestycyjny IPOPEMA S.A. (currently: JL S.A.), held 700,000 Company shares, representing 24.5% of the total vote at the Company's GM. The shareholders' current equity interests in the Company are presented in several sections of this Prospectus, including Section 2.5 and Section 31.

In the fourth quarter of 2006, the Company broadened its profile by entering the business which was formerly the domain of Dom Inwestycyjny IPOPEMA, that is financial and transactional advisory services. The personnel of Dom Inwestycyjny IPOPEMA was transferred to IPOPEMA Securities, and Dom Inwestycyjny IPOPEMA discontinued its operations in the area where it would compete with IPOPEMA Securities S.A.

On January 12th 2007, the Company's Extraordinary General Shareholders' Meeting adopted Resolution No. 1 to abolish the preferred status of Series A, B and C shares in the Company. Under the resolution, the preference as to the voting rights and dividend payment, attached to the Series A, B and C shares, was abolished. Consequently, Series A, B and C shares became ordinary registered shares.

On March 14th 2007, the Company established IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A. of Warsaw (IPOPEMA TFI), with the share capital of PLN 1,000,000, and acquired 100% of Series A registered shares with a par value of PLN 1 per share in the new entity. On July 5th 2007, the Extraordinary General Shareholders' Meeting of IPOPEMA TFI adopted Resolution No. 1 on amendments to its Articles of Association, increasing its share capital by PLN 1,000,000 through the increase of the par value of its shares to PLN 2 per share.

On November 7th 2007, the share capital of IPOPEMA TFI was increased by PLN 700,000 through the increase of the par value of the shares to PLN 2.70 per share. On May 9th 2008, the Extraordinary General Shareholders' Meeting of IPOPEMA TFI adopted Resolution No. 2 to increase its share capital by PLN 300,000 through the increase of the par value of the shares to PLN 3 per share. As at the Prospectus approval date, the share capital of IPOPEMA TFI amounted to PLN 3,000,000 and was divided into 1,000,000 Series A registered shares with a par value of PLN 3 per share.

On December 5th 2007, the Company's Extraordinary General Shareholders' Meeting adopted Resolution No. 1 concerning amendments to the Company's Articles of Association and approval of the consolidated text of the Articles of Association. Under the resolution, the series of the then existing shares were changed, as was the par value per share. Series B and C ordinary registered shares became Series B ordinary registered shares. The par value per share, equal to PLN 1, was decreased by the ratio of 1:10, to PLN 0.10 per share. In exchange for each of then existing Series A ordinary registered share, shareholders received 10 Series A ordinary registered shares. In exchange for each of then existing Series B and C shares, shareholders received 10 Series B ordinary registered shares. After the transaction, the Company's share capital has amounted to PLN 2,857,141 and has been divided into 28,571,410 shares with a par value of PLN 0.10 per share, including 7,000,000 Series A ordinary registered shares and 21,571,410 Series B ordinary registered shares.

The same Extraordinary General Shareholders' Meeting adopted resolutions concerning the planned implementation of the Incentive Scheme, namely Resolution No. 2 concerning approval of the Incentive Scheme for the Company and the assumptions for the scheme, Resolution No. 3 concerning a conditional share capital increase in connection with the implementation of the Incentive Scheme for the key employees of the Company and its subsidiary IPOPEMA TFI, as well as other persons of key importance for the execution of the IPOPEMA Group's strategy, and concerning an amendment to the Company's Articles of Association, Resolution No. 4 concerning the issue of subscription warrants, and Resolution No. 5 concerning approval of conversion of the Company shares into book-entry form and of seeking their admission to trading on the regulated market. These resolutions were amended by the Company's Extraordinary General Shareholders' Meeting held on March 20th 2009 (for more information, see Sections 19.2, 22.3 and 23.6 of this Prospectus).

On August 26th 2008, in performance of an investment agreement concluded on the same day (described in Section 12.5), IPOPEMA Securities established a company under the name of IPOPEMA Business Consulting Sp. z o.o., in which IPOPEMA Securities acquired 1,000 shares with a par value of PLN 50 per share for a total amount of PLN 3,000 thousand (the share premium of PLN 2,950 thousand was contributed to reserve funds). The acquired shares represented 100% of the total vote at the company's GM. On October 2nd 2008, pursuant to a decision issued by the District Court for the Capital City of Warsaw, XII Commercial Division of the National Court Register, the new company was entered in the Register of Entrepreneurs of the National Court Register under entry No. 0000314917.

16. ORGANISATIONAL STRUCTURE

16.1 Description of the Company's Group

As at the Prospectus approval date, the Group was composed of IPOPEMA Securities S.A. (the parent undertaking) and two subsidiaries: IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A. of Warsaw and IPOPEMA Business Consulting Sp. z o.o. of Warsaw, both wholly-owned by the Company.

IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A. (IPOPEMA TFI) was established on March 14th 2007. On April 13th 2007, IPOPEMA TFI was entered in the National Court Register under No. KRS 0000278264. IPOPEMA TFI was established for an indefinite period. Its scope of business comprises (i) establishment and management of investment funds, (ii) discretionary management of securities portfolios, (iii) advisory services in the area of securities trading, (iv) intermediation in the sale and redemption of investment fund units, and (v) representation service for foreign funds. IPOPEMA TFI's share capital amounts to PLN 3,000 thousand. The management board of IPOPEMA TFI is composed of Jarosław Wikaliński (President), Maciej Jasiński (Vice-President) and Marek Świętoń (Vice-President), who have many years of market practice and experience in asset management and creation of investment funds.

IPOPEMA Business Consulting was established on August 26th 2008. On October 2nd 2008, the company was entered in the National Court Register under No. KRS 0000314917. IPOPEMA Business Consulting was established for an indefinite period. Its scope of business comprises (i) other business and management consulting services, (ii) computer facilities management activities, (iii) computer consultancy services, (iv) computer programming activities, (v) wholesale of computers, computer peripheral equipment and software. The company's share capital amounts to PLN 50 thousand. IPOPEMA Business Consulting has a management board comprised of only one person, Ewa Malesza, President of the Management Board.

16.2 Equity Interests in Other Companies

Save for the shares in IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A. and IPOPEMA Business Consulting, the Company does not hold any equity interest in any other companies. The Company does not hold any interests in cooperatives and is not a member of any foundation.

IPOPEMA Securities is a member of the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.) and the Budapest Stock Exchange. It also holds the status of a direct member of the National Depository for Securities (KDPW S.A.). Furthermore, the Company is a member of Mergers Alliance, an association described in Section 2.2, Section 10.8, Section 11.2, Section 11.3 and Section 11.4 of this Prospectus.

17. GOVERNING BODIES

17.1 Information on Supervisory and Management Board Members

17.1.1 Management Board

The Management Board is composed of four members, appointed for a three-year term of office. Below is presented information on the Management Board members, prepared on the basis of their representations. Save for the Management Board members, there are no other senior management staff in the Company.

In the last five years, none of the members of the Management Board (i) has been convicted on charges of fraud by virtue of a final court judgement; (ii) served as members of any management or supervisory bodies of any entities which were declared bankrupt, placed in liquidation or under administration; (iii) formally charged or subject to any sanctions imposed by governmental or organisational bodies (including professional organisations); (iv) disqualified from acting as members of the management or supervisory bodies of any issuer or from managing or conducting affairs of any issuer.

Apart from the companies listed below, there are no other companies in which the governing persons serve or served as members of the administrative, management or supervisory bodies in the last five financial years. No family links exist between the supervisory and management staff.

First names and surnames, work addresses, positions and appointment dates of the Management Board members are presented in the table below:

First name and surname	Business address	Position	Appointment date*
Jacek Lewandowski	ul. Waliców 11, 00-851 Warsaw, Poland	President of the Management Board	April 25th 2008
Miroslaw Borys	ul. Waliców 11, 00-851 Warsaw, Poland	Vice-President of the Management Board	April 25th 2008
Mariusz Piskorski	ul. Waliców 11, 00-851 Warsaw, Poland	Vice-President of the Management Board	April 25th 2008
Stanisław Waczkowski	ul. Waliców 11, 00-851 Warsaw, Poland	Vice-President of the Management Board	December 18th 2008

*Date o appointment for the second term of office; for details see Section 17.6.

Jacek Lewandowski – President

Jacek Lewandowski, age 36, is a graduate of the Warsaw School of Economics, with a major in management. In 1994–1995, Mr Lewandowski was employed at Commercial Union Polska S.A. In 1995–1996, he worked as specialist in the Treasury Department at Bank Gospodarstwa Krajowego S.A. In 1996–1998, Mr Lewandowski was with Polski Bank Rozwoju S.A. From August 1998 to April 2003, he was Head of the Primary Market Department at Dom Inwestycyjny BRE Banku S. A. (formerly Biuro Maklerskie BRE Brokers). Since May 2003, Mr Lewandowski has served as President of the Management Board of Dom Inwestycyjny IPOPEMA S.A. (renamed to JL S.A.), and since March 2005 as President of IPOPEMA Securities S.A. Between March and September 2007, Mr Lewandowski was President of the Management Board of IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A., and since September 2007 he has served on the company's Supervisory Board. In the last five years, Jacek Lewandowski has not served on the management or supervisory board of any other company. Jacek Lewandowski directly holds 19.11% shares in IPOPEMA Securities and, indirectly – through JL S.A. and IPOPEMA PRE-IPO FIZAN – 10.02% of the shares. In total, Jacek Lewandowski directly and indirectly holds 29.13% of the Company shares. Since April 2009 Jacek Lewandowski has been a shareholder and general partner in JLS Lewandowski S.K.A. and JLK Lewandowski S.K.A. Furthermore, in the last five years Jacek Lewandowski has not been a partner or shareholder in any other partnership or company.

Miroslaw Borys – Vice-President

Miroslaw Borys, age 38 is a graduate of the Faculty of Geography and Regional Studies of the Warsaw University. Between August 1994 and May 1999, Mr Borys was employed at Biuro Maklerskie BRE Brokers of Bank Rozwoju Eksportu S.A., initially as a senior clerk, to be subsequently appointed as senior specialist at the Primary Market Department. In the period from June 1999 to April 2003, Mr Borys was Head of the Share Issue Division in the Primary Market Department of Dom Inwestycyjny BRE Banku S.A. (formerly Biuro Maklerskie BRE Brokers). In May 2003, he was appointed Primary Market Director. In June 2004, Mr Borys was employed as Chief Operating Officer at Dom Inwestycyjny IPOPEMA S.A. (renamed JL S.A.), and for a short time simultaneously held the position of a Member of the company's Management Board. Since March 2005 (i.e. the founding date of the Company), Miroslaw Borys has served as Vice-President of the Management Board of IPOPEMA Securities S.A. From March to December 2007, Mr Borys was Vice-President of the Management Board of IPOPEMA TFI. In the last five years, Mr Borys has not served on the management or supervisory board of any other company. Miroslaw Borys holds, indirectly through Futuro Capital Borys S.K.A., a 3.25% interest in the Company. Furthermore, Mr Borys holds one share in Futuro Capital Borys S.K.A., representing 100% of votes at the General Shareholders' Meeting, and serves as the general partner of the company. Furthermore, in the last five years Miroslaw Borys has not been a partner or shareholder in any company or partnership.

Mariusz Piskorski – Vice-President

Mariusz Piskorski, age 36, graduated from the Warsaw School of Economics, with a major in finance and banking. From February 1996 to March 1997, Mr Piskorski worked as consultant at BIG Finance Sp. z o.o. In April 1997, he was employed as senior expert at Polski Bank Rozwoju S.A. From August 1998 to April 2003, Mr Piskorski held managerial positions at Dom Inwestycyjny BRE Banku S.A. and Biuro Maklerskie BRE Brokers. In May 2003, he was appointed Manager at BRE Corporate Finance S.A. In September 2003, Mr Piskorski was employed as Director responsible for Public Transactions at Dom Inwestycyjny IPOPEMA S.A. (renamed JL S.A.). Since March 2005 (i.e. the founding date of the Company), he has served as Vice-President of the Management Board of IPOPEMA Securities S.A. responsible for overseeing projects related to the provision of investment banking services. In the period from September 2005 to July 2006 Mariusz Piskorski was a member of the Supervisory Board of Jasan Sp. z o.o. From July 2004 to April 2007 he was a member of the Supervisory Board of Hygienika S.A. Mariusz Piskorski is a member of the Supervisory Board Member of IPOPEMA TFI. In the last five years, Mr Mariusz Piskorski has not served on the management or supervisory board of any other company. Mariusz Piskorski holds, indirectly – through MJM Inwestycje Piskorski S.K.A. – a 4.5% interest in the Company. Furthermore, Mr Piskorski holds one share in MJM Inwestycje Piskorski S.K.A., representing 100% of votes at the General Shareholders' Meeting, and serves as the general partner of the company. Furthermore, in the last five years Mariusz Piskorski has not been a partner or shareholder in any other partnership or company.

Stanisław Waczkowski – Vice-President

Stanisław Waczkowski, age 34 is a graduate of the Warsaw School of Economics, with a major in finance and banking. In 1995, Mr Waczkowski was granted a stock broker licence (No. 1462) and a stock exchange broker licence (examination before the Warsaw Stock Exchange). From April 1994 to April 2000, he was employed at ABN AMRO Securities (Polska) S.A., initially as assistant broker and then as stock exchange broker. From June 2000 to January 2003, Mr Waczkowski served as Member of the Management Board, Head of Sales & Trading at ABN AMRO Securities (Polska) S.A. Between February 2003 and July 2006, Stanisław Waczkowski was Member of the Management Board, Director of the Institutional Customer Department at Dom Maklerski Banku Handlowego S.A. He has been with the Company since August 2006, serving as Director of the Secondary Market Department, and since September 2006 also as Vice-President of the Management Board. From March 2007 to September 2007, Mr Waczkowski sat on the Supervisory Board of IPOPEMA TFI. In the last five years, Stanisław Waczkowski has not served on the management or supervisory board of any other company. Stanisław Waczkowski directly holds a 1.02% interest in IPOPEMA Securities and, indirectly – through IPOPEMA 10 FIZAN (in which it holds all shares) – 9.98% of shares in the Company. In total, Mr Waczkowski holds, directly and indirectly, 11% of the Company shares. Furthermore, in the last five years Stanisław Waczkowski has not been a partner or shareholder in any other partnership or company.

17.1.2 Supervisory Board

The Supervisory Board is composed of five members, appointed for a joint term of office of three years. Information on the Company's supervisory staff, prepared based on the statements submitted by such staff, is presented below.

In the last five years, none of the members of the Supervisory Board (i) has been: convicted on charges of fraud by virtue of a final court judgement; (ii) served as members of any management or supervisory bodies of any entities which were declared bankrupt, placed in liquidation or under administration; (iii) formally charged or subject to any sanctions imposed by governmental or organisational bodies (including professional organisations); (iv) disqualified from acting as members of the management or supervisory bodies of any issuer or from managing or conducting its affairs of any issuer.

Apart from the companies listed below, there are no other companies in which the supervisory staff serve or served as members of the administrative, management or supervisory bodies in the last five financial years. No family links exist between the supervisory and management staff.

First names and surnames, work addresses, positions and appointment dates of the Supervisory Board members are presented in the table below.

First name and surname	Business address	Position	Appointment date*
Jacek Jonak	ul. Waliców 11, 00-851 Warsaw, Poland	Chairman of the Supervisory Board	April 23rd 2008
Roman Miler	ul. Waliców 11, 00-851 Warsaw, Poland	Deputy Chairman of the Supervisory Board	April 23rd 2008
Janusz Diemko	ul. Waliców 11, 00-851 Warsaw, Poland	Secretary of the Supervisory Board	April 23rd 2008
Bogdan Kryca	ul. Walców 11, 00-851 Warsaw, Poland	Member of the Supervisory Board	April 23rd 2008
Wiktor Sliwinski	ul. Walców 11, 00-851 Warsaw, Poland	Member of the Supervisory Board	April 23rd 2008

*Date of appointment for the second term of office; for details see Section 17.6.

Jacek Jonak – Chairman of the Supervisory Board

Jacek Jonak, age 43, is a graduate of the Faculty of Law and Administration of the Warsaw University and Ecole Nationale d'Administration in Paris. In 1995, Mr Jonak was admitted to the list of legal counsels of the Regional Chamber of Legal Advisers in Warsaw. In 1989-1992, he was employed at the Ministry of Finance and, subsequently, at the Ministry of Privatisation on the position of a legal adviser. From 1992 to 1996, he worked at the Polish Securities and Exchange Commission as Head of the Commission's Office, and since 1995 as Deputy Chairman of the

Supervision Commission. In 1997-2007, Mr Jonak was a partner in law firm Allen&Overy, A. Pędzich, spółka komandytowa of Warsaw. He currently runs his own law practice as a legal counsel. Since 1995, he has been a board member in Fundacja Dobrych Pomysłów (Foundation of Good Ideas), which he co-founded. Since 2001, he has been a member of the Supervisory Board of Festiwale Muzyczne Sp. z o.o., in which he holds a 10% interest. Since 2006, Mr Jonak has held the position of Secretary of the Board of the John Paul II Centre Foundation "Nie lękajcie się" ("Have No Fear"), a church legal person. Since 2006, Jacek Jonak has also been a member of the Board of Fundacja im. Lesława Pagi (The Lesław Paga Foundation). Since November 2007, he has been Member of the Supervisory Board of IPOPEMA Securities S.A., and since 2008 – member of the Supervisory Boards of Opony.pl S.A. and Silkroute Securities (Poland) Sp. z o.o. Moreover, in the last five years, Mr Jonak has not been a member of management or supervisory boards of any other company or a partner or shareholder in any other partnership or company.

Roman Miler – Deputy Chairman of the Supervisory Board

Roman Miler, age 39, has secondary education, completed at the Food Technology Technical School of Krotoszyn, with specialisation in meat processing. Since September 1998, he has been employed at PKM Duda S.A., initially as a manager – head of production, and subsequently as sales director. In 2003, he was appointed Management Board Member responsible for sales and production at PKM Duda S.A., and since 2006 he has been Vice-President of the company's Management Board. Since June 2005, Mr Miler has served on the Supervisory Board of IPOPEMA Securities S.A. In the last five years, Mr Miler has not been a member of management or supervisory boards of any other company or a partner or shareholder in any other partnership or company.

Janusz Diemko – Secretary of the Supervisory Board

Janusz Diemko, age 38, is a graduate of University College London, where he received a degree in geography. In 1994, he was licensed as a Chartered Accountant. In 1999, he became a member of the Institute of Corporate Treasurers in England. In 1991-1994, he worked at Moore Stephens Chartered Accountants. From December 1994 to May 1997, he was Assistant Chief Financial Officer/Project Manager at Commercial Union Polska TU Na Życie S.A. From May 1997 to March 1998, he held the position of Chief Financial Officer at California Computer Company. From March 1998 to November 1999, he was Chief Financial Officer at Euronet Polska and between November 1999 and April 2001 he held the post of the company's Chief Executive Officer. In January 2001, Mr Diemko was appointed Vice-President of Euronet Polska and Merger and Acquisition Director for the EMEA region. In January 2005, he was appointed Chief Executive Officer/Market Development Director for Russia and Baltic States. From September 2007 to July 2008, he also served on the Supervisory Board of SFINKS Polska S.A. Since March 2005, Mr Diemko has been Member and Secretary of the Supervisory Board of IPOPEMA Securities S.A. Since November 2006, Janusz Diemko has served as President of the Management Board of First Data Polska S.A. (formerly POLCARD S.A.). Since 2006, he has been a member of the Supervisory Board of PEKAES S.A., and since March 2008 – also member of the Supervisory Board of Expander S.A. Moreover, in the last five years Mr Miler has not been a member of management or supervisory boards of any other companies or a partner or shareholder in any other partnership or company.

Bogdan Kryca – Member of the Supervisory Board

Bogdan Kryca, age 39, graduated from Harvard University, where he studied history and literature. In 1990-1992, he was employed at Kidder Peabody & Co, an investment bank, as a financial analyst. In 1992-1995, he worked for the European Bank for Reconstruction and Development as associate banker. In 1995-1997, he served as Member of the Management Board and Chief Financial Officer of BRE/Investmentbank Austria Fund Mgmt. In 1997-1999, he was employed as a proxy and adviser of the Mass Privatisation Investment Fund. Since 2000, he has served as Member of the Management Board of Dominium Capital Polska Sp. z o.o., a company in which he also holds a interest of 10.6%. In 2002-2005, he held the position of Chairman of the Supervisory Board of Hygienika S.A. In 2005-2006, he was President of the Management Board of NFI Octava S.A., and since 2006 he has served as Member of its Supervisory Board. Since September 2006, Bogdan Kryca has been Member of the Supervisory Board of IPOPEMA Securities S.A. and Member of the Supervisory Board of IPOPEMA TFI. Mr Kryca holds, indirectly through Dominium Inwestycje Kryca S.K.A., a 1% interest in the Company. In addition, Mr Kryca holds one share in Dominium Inwestycje Kryca S.K.A., representing 100% of votes at the company's General Shareholders' Meeting and is a general partner in the company. Bogdan Kryca also holds a 25% interest in each of Corpus Iuris Sp. z o.o. and Corpus Iuris Inwestycje Sp. z o.o., and is a limited at a law office Kancelaria Prawna Corpus Iuris Rotko i Wspólnicy S.K.A. In the last five years Mr Kryca has not been a member of management or supervisory boards of any other company or a partner or shareholder in any other partnership or company.

Wiktor Sliwinski – Member of the Supervisory Board

Wiktor Sliwinski, age 29, graduated from University College London, where he studied Economics, and from the Wharton School, University of Pennsylvania, where he obtained an MBA. In 2001–2004, he was a financial analyst at Merrill Lynch International. In 2005, he worked at Warburg Pincus International LLC as Summer Associate. Since 2006, he has been Securities Analyst at Elliott Advisors (UK) Limited. Since December 2006, Mr Sliwinski has been Member of the Supervisory Board of IPOPEMA Securities S.A. Furthermore, Mr Sliwinski has been President of the Management Board of Bristol Investments Sp. z o.o. (since December 2007), and also serves or has served on the Supervisory Boards of: (i) Firma Inwestycyjna Leopard S.A. (from November 2006 to August 2008), (ii) NFI Octava S.A. (since January 2007), (iii) Legnicka Development S.A. (since January 2007), (iv) NIF Fund Holdings PCC Limited (since October 2007), (v) Alchemia S.A. (since March 2008) and (vi) Telkom Telos S.A. (since April 2009). Moreover, in the last five years Mr Sliwinski has not been a member of management or supervisory boards of any other company or a partner or shareholder in any other partnership or company.

17.2 Conflict of Interests

According to the statements submitted by the management and supervisory staff, there is no conflict of interests between the management and supervisory staff and the Company. Moreover, the Company's Management Board believes that there is no risk of any potential conflicts of interests in the future.

Supervisory Board Members Bogdan Kryca and Wiktor Sliwinski were appointed to the Supervisory Board pursuant to the investment agreement of July 12th 2006 concluded between DI IPOPEMA, Mr Jacek Lewandowski, the Company, and Manchester Securities Corp., as described in Section 20.5/ of the Prospectus. The other members of the Management Board and the Supervisory Board are not parties to any agreements or arrangements with major shareholders, clients or other persons whereby they would be appointed members of the Management or Supervisory Boards.

17.3 Remuneration and Benefits of the Supervisory and Management Board Members

Remuneration of the Management Board Members

With the exception of Jacek Lewandowski, all members of the Management Board are employed at the Company under employment contracts. Stanislaw Waczkowski has a full-time position whereas Miroslaw Borys and Mariusz Piskorski are employed on a quarter-time basis. In addition to the remuneration received under their employment contracts, Miroslaw Borys and Mariusz Piskorski receive remuneration for serving on the Management Board, in amounts determined by resolution of the Company's Supervisory Board.

The table below shows the remuneration of the Management Board members in 2008 (including any conditional or deferred remuneration) received from IPOPEMA Securities S.A. and its subsidiaries for services of any type provided to IPOPEMA Securities S.A. and its subsidiaries:

Management Board Member	Remuneration in 2008 (PLN)
Jacek Lewandowski	480,000
Miroslaw Borys	360,000
Mariusz Piskorski	360,000
Stanislaw Waczkowski	4,416,000

The Management Board members are also the Company's shareholders (directly or indirectly through affiliated companies) and thus participate in profits on the same terms as the other shareholders. The payment of remuneration to the above persons for their membership in the Management Board was not made by way of distribution of profit or in the form of stock options. The Company does not apply any bonus scheme and bonuses are granted on a discretionary basis.

Two of the Management Board members, Mariusz Piskorski and Miroslaw Borys, have entered into agreements with the Company, under which each of them is entitled to compensation amounting to three monthly salaries, if they are removed from the Management Board, are not appointed to the Management Board for another term of office (subject to conditions set forth in the agreement) or their remuneration terms are changed to less favourable.

Remuneration of the Supervisory Board Members

Pursuant to the Resolution of the General Shareholders' Meeting of October 6th 2005, the Supervisory Board members are entitled to a lump-sum remuneration for participating in a Supervisory Board meeting, amounting to PLN 1,000 before tax, payable within 14 days after the meeting. The Supervisory Board members are not entitled to receive the remuneration if they do not attend the meeting.

The table below shows the remuneration of the Supervisory Board members in 2008 (including any conditional or deferred remuneration amounts) received from IPOPEMA Securities S.A. and its subsidiaries for services of any type provided to IPOPEMA Securities S.A. and its subsidiaries:

Supervisory Board Member	Remuneration in 2008 (PLN)
Jacek Jonak	4,000
Janusz Diemko	2,000
Roman Miler	-
Bogdan Kryca	4,000
Wiktor Sliwinski	4,000

17.4 Total Amounts Set Aside or Accrued by the Company or its Subsidiaries to Provide Retirement, Pension or Similar Benefits for the Supervisory and Management Board Members

The Company and its subsidiary IPOPEMA TFI do not have any amounts set aside or accrued to provide retirement, pension or similar benefits to the Supervisory and Management Board members. The Management Board members and the Company's employees are covered by a collective healthcare package, whose cost in 2008 totalled PLN 67 thousand. Due to the nature of the package, it is impossible to quote the amounts for each of the Management Board members.

17.5 Company Shares Held by the Supervisory and Management Board Members

As at the Prospectus approval date, all Management Board members and one Supervisory Board member hold Company shares (directly or indirectly):

- Jacek Lewandowski directly holds 19.11% of IPOPEMA Securities shares and indirectly, through JL S.A. and IPOPEMA PRE-IPO FIZAN, 10.02% of the shares. In aggregate, Jacek Lewandowski holds, directly and indirectly, 29.13% of the Company shares. Additionally, Katarzyna Lewandowska, Jacek Lewandowski's wife, holds 9.625% of the Company shares. However, Katarzyna Lewandowska and Jacek Lewandowski established a regime of separate property as at August 7th 2008.
- Stanisław Waczkowski directly holds 1.02% of IPOPEMA Securities shares and indirectly through IPOPEMA 10 FIZAN, as its sole shareholder, 9.98% of the shares. In aggregate, Stanisław Waczkowski holds, directly and indirectly, 11% of the Company shares.
- Mariusz Piskorski indirectly holds, through MJM Inwestycje Piskorski S.K.A., 4.5% of the Company shares.
- Mirosław Borys indirectly holds, through Futuro Capital Borys S.K.A., 3.25% of the Company shares.
- Bogdan Kryca indirectly holds, through Dominium Inwestycje Kryca S.K.A., 1% of the Company shares.

In addition, Jacek Lewandowski holds, directly or indirectly through his affiliates, options to acquire up to 30% of the Company shares under Option Agreements executed with a number of the Supervisory and Management Board members and with key employees of the Company. For detailed information on the agreements, including information on the terms of exercising the options, see Section 19.2.II of this Prospectus.

Under the Investment Agreement of July 12th 2006 (described in Section 20 of this Prospectus) there are no additional limitations on transfer of the shares held by Jacek Lewandowski other than the limitations imposed by the Act on Trading in Financial Instruments and the credit facility agreements with Kredyt Bank (described in Section 12.3 of this Prospectus) as well as the agreement executed with Deutsche Bank (described in Section 12.2 of this Prospectus).

Additionally, each of the Company's shareholders will be subject to the limitations imposed by the Act on Trading in Financial Instruments.

17.6 Practices of the Company's Governing Bodies

17.6.1 The Management Board and the Supervisory Board

Jacek Lewandowski, Mirosław Borys and Mariusz Piskorski were appointed to the Company's Management Board on March 2nd 2005. Stanisław Waczkowski was appointed to the Management Board on September 11th 2006 (his term of office ends on September 10th 2009). Under the Company's Articles of Association, the term of office of the Management Board members is three years and it is not a joint term of office. On April 25th 2008, the Company's Supervisory Board appointed Jacek Lewandowski President of the Management Board, and Mirosław Borys and Mariusz Piskorski Vice-Presidents of the Management Board, for a new three-year term of office. On December 19th 2008, the Supervisory Board appointed Stanisław Waczkowski Vice-President of the Management Board, for a new three-year term of office.

Janusz Diemko was appointed to the Supervisory Board on March 2nd 2005. Roman Miler was appointed to the Supervisory Board on June 24th 2005. Bogdan Kryca was appointed to the Supervisory Board on August 10th 2006. Wiktor Sliwinski was appointed to the Supervisory Board on December 21st 2006. Jacek Jonak was appointed to the Supervisory Board on November 20th 2007. According to the Company's Articles of Association, members of the Supervisory Board are appointed for a joint term of three years.

On April 23rd 2008, the Company's Extraordinary General Shareholders' Meeting appointed all the Supervisory Board members of the current term for a new three-year term, appointing Jacek Jonak Chairman of the Supervisory Board and Roman Miler Deputy Chairman of the Supervisory Board.

None of the members of the Company's governing bodies is party to any agreement which would entitle them to claim benefits upon the termination of their employment.

17.6.2 The Audit Committee and the Remuneration Committee

The Company did not set up an Audit Committee or a Remuneration Committee.

17.6.3 Corporate Governance

On January 24th 2008, acting pursuant to Par. 4.j) of the Rules of Procedure of the Management Board, the Company's Management Board adopted Resolution No. 1/I/2008 on compliance with corporate governance rules. According to the Resolution, the Company intends to comply with the corporate governance rules set forth in the document "Best Practices for WSE-Listed Companies", attached to Resolution No. 12/1170/2007 of the WSE Supervisory Board, dated July 4th 2007 ("Best Practices"), with the following exceptions:

- 1) with respect to the rule set forth in Section I.1 of Best Practices, concerning the use of modern technologies in its information policy, the Company intends to comply with the rule, but its full implementation can be hindered due to certain technical limitations;
- 2) with respect to the rules set forth in Section II.1.6 and III.1.1, concerning annual reports on the activity of the Supervisory Board and an assessment presented to the General Shareholders' Meeting by the Supervisory Board – the contents of such reports and the scope of such assessments are at the discretion of the Supervisory Board.
- 3) with respect to the rules set forth in Section III.7 and III.8 of Best Practices, concerning an audit committee as well as tasks and operation of the committees of the Supervisory Board, the Company will not comply with the above rules until an audit committee is established within the Supervisory Board. The Company does not exclude, however, the possibility of establishing an audit committee in the future.

If not all the corporate governance rules are complied with, then under the WSE Rules an issuer of shares admitted to stock exchange trading has the obligation to publish a report containing information on which rule is not or has not been complied with, what were the circumstances of and the reasons for such non-compliance, and how the issuer intends to eliminate any potential effects of such non-compliance or what steps it intends to take to minimise the risk of non-compliance with the rules of corporate governance in the future.

Given the instances of non-compliance with the rules of corporate governance by the Company as described above and in view of the abovementioned requirements following from the WSE Rules, after the admission of the Shares to stock-exchange trading the Company will publish relevant information on the non-compliance in the form of a current report.

18. EMPLOYEES

Employment Structure at IPOPEMA Securities

As at the Prospectus approval date, IPOPEMA Securities had 45 employees, including 41 employed under employment contracts.

Presented below is the headcount at IPOPEMA Securities as at December 31st 2005, December 31st 2006, December 31st 2007, June 30th 2008, December 31st 2008 and as at the Prospectus approval date.

Unit	Dec 31 2005	Dec 31 2006	Dec 31 2007	Jun 30 2008	Dec 31 2008	As at Prospectus approval date
Management Board	3	4	4	4	4	4
Secondary Market Department	1	7	7	7	7	7
Capital Market Department	-	12	15	16	14	13
Accounting and Settlements Department	-	3	3	3	3	3
Research Office	-	2	6	6	4	7
Market Making and Proprietary Trading Dept.						2
Other organisational units	1	6	9	10	11	9
TOTAL	5	34	44	46	43	45

As at the Prospectus approval date, IPOPEMA TFI and IPOPEMA Business Consulting, the Company's subsidiary undertakings, had 18 (including three Management Board members) and 16 employees, respectively.

In addition, the Company uses outsourcing with respect to legal and accounting services.

Key Objectives of the Personnel Policy and Employee Turnover at IPOPEMA Securities

The main objective of the personnel policy pursued by the Company is to employ and retain staff who have sufficient knowledge and experience to ensure the desired service quality and who guarantee the security of transactions executed on the capital market.

For information on the shares or stock options held by the employees and their interests in the Company's share capital, see Section 17.5 and Section 19.2 of this Prospectus.

19. MAJOR SHAREHOLDERS. INCENTIVE SCHEME. STOCK OPTIONS

19.1 Shareholders Holding – Directly or Indirectly Through Subsidiary Undertakings – Over 5% of the Total Vote at the General Shareholders' Meeting of the Company or Over 5% of Shares in the Company's Share Capital

1/ Manchester Securities Corp.

Manchester Securities Corp., with registered office at 712 Fifth Avenue, 36th floor, New York, NY 10019, USA, was incorporated under the laws of the State of New York on September 24th 1986. Its core business involves (i) purchasing or otherwise acquiring, holding, pledging, assigning, selling, exchanging or otherwise disposing of securities and any rights and privileges attached thereto, and making payments for the same in any legal manner, (ii) credit granting and money lending, (iii) participating in any actions and practices permitted by law for the purpose of which the company was incorporated under the New York State Business Corporation Law. The company was established for an indefinite period.

Manchester Securities Corp. is a subsidiary within the Elliott Group. Elliott Associates, L.P. and its sister fund Elliott International, L.P. and other subsidiary companies (the Elliott Group) manage capital of more than USD 12.8bn. Established in 1977, Elliott is one of the oldest funds of its kind under continuous management. Elliott's investors include large institutions, high net worth individuals and families, and employees of the firm. Elliott has investment interests around the world, and pursues a diversified investment and trading programme, including a wide range of hedging strategies, investments that require expertise in finance, and direct investments in companies. Elliott has been present on the Polish market since 1999.

As at the Prospectus approval date, Manchester Securities Corp. held 8,571,420 Company shares, representing 30% of the Company's share capital and conferring the right to 30% of the total vote at the General Shareholders' Meeting.

2/ Jacek Lewandowski

Detailed information regarding Mr Jacek Lewandowski is presented in Section 17.1 of this Prospectus.

As at the Prospectus approval date, Jacek Lewandowski held:

- (i) directly – 5,458,860 Series B shares in the Company, conferring the right to 19.11% of the total vote at the General Shareholders' Meeting,
- (ii) indirectly, through JL S.A. – 11,447 Series A shares in the Company, conferring the right to 0.04% of the total vote at the General Shareholders' Meeting, and indirectly through IPOPEMA PRE-IPO FIZAN – 2,851,120 Series B shares, conferring the right to 9.98% of the total vote at the General Shareholders' Meeting.

Jacek Lewandowski holds in aggregate, directly and indirectly, 8,321,427 Series A and Series B shares, which together confer the right to 29.13% of the total vote at the General Shareholders' Meeting.

On April 1st 2009, the following partnerships were established: (i) JLK Lewandowski spółka komandytowo-akcyjna (limited joint-stock partnership) with its registered office in Warsaw, and (ii) JLS Lewandowski spółka komandytowo-akcyjna, where Jacek Lewandowski is a general partner, co-founder and shareholder. As at the date of the registration with the National Court Register each of the above partnerships will start holding 2,729,000 Series B Shares as contributed by Jacek Lewandowski. Hence, Jacek Lewandowski will continue to hold, indirectly and directly, the same number of shares in IPOPEMA Securities (i.e., 29.13%, including IPOPEMA PRE-IPO FIZAN), with each of his abovementioned subsidiary partnerships holding 9.55% of all the shares and votes at the General Meeting, with 0.01% of Shares directly held by Jacek Lewandowski.

As far as the Company is aware, as at the Prospectus approval date, none of the abovementioned limited joint-stock partnerships has been registered yet.

3/ IPOPEMA PRE-IPO FIZAN

IPOPEMA PRE-IPO FIZAN is a closed-end private equity investment fund within the meaning of Art. 196 of the Polish Act on Investment Funds. The fund was created for an indefinite period by IPOPEMA TFI under an authorisation of the Polish Financial Supervision Authority of January 24th 2008, and entered into the register of investment funds under No. 398 (by virtue of a decision issued by the Regional Court of Warsaw, VII Civil and Registry Division, on July 22nd 2008). The sole business of the fund consists in investing funds raised by offering investment certificates by private placement in securities, money market instruments and other property rights defined in the Act and in the Articles of Association.

The fund holds 2,851,120 Series B shares in the Company, conferring the right to 9.98% of the total vote at the General Shareholders' Meeting, which were contributed to the fund by Jacek Lewandowski in exchange for the fund's investment certificates. Jacek Lewandowski is the only certificate holder of IPOPEMA PRE-IPO FIZAN.

4/ IPOPEMA 10 FIZAN

IPOPEMA 10 FIZAN is a closed-end private equity investment fund within the meaning of Art. 196 of the Polish Act on Investment Funds. The fund was created for an indefinite period by IPOPEMA TFI under an authorisation of the Polish Financial Supervision Authority of January 24th 2008, and entered into the register of investment funds under No. 373 (by virtue of a decision issued by the Regional Court of Warsaw, VII Civil and Registry Division, on April 28th 2008). The sole business of the fund consists in investing funds raised by offering investment certificates by private placement in securities, money market instruments and other property rights defined in the Act and in the Articles of Association.

The fund holds 2,851,420 Series A shares in the Company, conferring the right to 9.98% of the total vote at the General Shareholders' Meeting. The shares were contributed to the fund by Stanisław Waczkowski (detailed information regarding Mr Stanisław Waczkowski is presented in Section 17.1 and 19.1.(6) of this Prospectus) in exchange for the fund's investment certificates. Stanisław Waczkowski is the only certificate holder of IPOPEMA 10 FIZAN.

5/ Katarzyna Lewandowska

Katarzyna Lewandowska directly holds 2,749,998 Series B shares in the Company, conferring the right to 9.625% of the total vote at the General Shareholders' Meeting. Katarzyna Lewandowska is the wife of Jacek Lewandowski, although since 2008 the spouses' property has been under the separate property regime.

On April 1st 2009, KL Lewandowska spółka komandytowo-akcyjna (limited joint-stock partnership) was established, with its registered office in Warsaw, where Katarzyna Lewandowska is a general partner, co-founder and shareholder. As at the date of the registration with the National Court Register the above partnership will start holding 2,749,500 Series B Shares as contributed by Katarzyna Lewandowska. Hence, Katarzyna Lewandowska will continue to control 9.625% of the overall number of shares in IPOPEMA Securities of which 9.623% through her abovementioned subsidiary partnership.

As far as the Company is aware, as at the Prospectus approval date, KL Lewandowska S.k.a. has not yet been registered.

6/ Stanisław Waczkowski

As at the Prospectus approval date, Stanisław Waczkowski held:

- (i) directly – 291,435 Series A shares in the Company, conferring the right to 1.02% of the total vote at the General Shareholders' Meeting,
- (ii) indirectly, through IPOPEMA 10 FIZAN – 2,851,420 Series A shares in the Company, conferring the right to 9.98% of the total vote at the General Shareholders' Meeting.

Stanisław Waczkowski holds in aggregate, directly and indirectly, 3,142,855 Series A shares, conferring the right to 11% of the total vote at the General Shareholders' Meeting.

Additional Information

The Company shares carry no voting preference. Furthermore, the major shareholders described in this Section hold no voting rights other than those attached to the Shares held by them and specified in this Section.

Notwithstanding the foregoing, under Par. 11 of the Company's Articles of Association, Jacek Lewandowski and Manchester Securities Corp. have the authority to appoint and remove from office such number of the Supervisory Board members as is set forth in the Articles of Association.

On July 12th 2006, Jacek Lewandowski and Manchester Securities Corp. signed a loyalty and non-compete agreement, setting forth the rights and obligations of Jacek Lewandowski as President of the Company's Management Board, in connection with the contemplated acquisition by Manchester Securities Corp. of 857,142 Company shares, representing 30% of all the Company shares (the Transaction). Under the agreement, Jacek Lewandowski undertook a number of obligations, including an obligation that within four years of the Transaction closing date: (i) he would not resign from the function of President of the Company's Management Board, (ii) he would manage the Company's affairs with utmost diligence and take steps aimed at admitting the Company shares to stock-exchange trading as soon as practicable, (iii) he would not engage in any activity competitive with the Company's business, and (iv) would not in any way cause the termination of agreements between the Company and its employees or termination of cooperation between the Company and the entities cooperating with the Company if this would allow such employees or entities to undertake activity competitive with the Company's business. If Jacek Lewandowski fails to discharge any of the obligations stipulated above (save for the obligation provided under item (ii)), he will be obliged to pay a contractual penalty of PLN 1,000,000.

In October 2007, Stanisław Waczkowski notified the PFSA of his intention to purchase the Company shares, representing 11% of the total vote at the GM. By the statutory deadline, in a decision of October 24th 2007 the PFSA objected to the intention on the grounds of potential adverse influence on the Company's management. On December 17th 2008, upon consideration of Stanisław Waczkowski's motion to reassess the case, the PFSA issued Decision No. DFL/4023/13/74/l/60/1/07/08 upholding the decision of October 24th 2007.

On February 11th 2009, upon considering a notification submitted by IPOPEMA PRE-IPO FIZAN, managed by IPOPEMA TFI, of its intention to directly purchase the Company shares representing 19.106% of the total vote at its GM, the PFSA objected to the intention on the basis of Art. 106.3 of the Act on Trading in Financial Instruments. On the date of submitting the notification IPOPEMA PRE-IPO FIZAN (in which Jacek Lewandowski is the only unit-holder) held the Company shares representing 9.98% of the total vote at its GM. If IPOPEMA PRE-IPO FIZAN purchased the additional 19.106% of shares in the Company, it would hold in aggregate 29.085% of the Company shares, representing the same percentage of votes at the GM. In the rationale for its objection, the PFSA stated that there was a reasonable suspicion that the entity intending to purchase the Company shares could have an adverse effect on management of the Company. The PFSA based its suspicion on, among other things, an analysis of the shareholder structure of the Company and IPOPEMA TFI. According to the PFSA, such risk follows "not only from the size of the Notifying Party's (the Fund) direct participation in the shareholder structure of the Brokerage House (the Company) but also from the effects of the Brokerage House's shareholder structure in general". In the opinion of the PFSA, the purchase by IPOPEMA PRE-IPO FIZAN of the Company shares in the number specified in the notification would give rise to a risk of conflict between the interests of the Investment Fund Company and its shareholder (the Company) and the interests of the Fund and its unit holders, which would raise doubt as to the fairness of actions of the Investment Fund Company's, which – in accordance with the Act on Investment Funds – is obliged to protect the interests of the unit holders (the Investment Fund Company should strive to

avoid any situations giving rise to a conflict of interests). In the rationale for its objection, the PFSA further stated that the same risk exists also with respect to the rights attached to the shares currently held by the Fund (in a number representing 9.98% of the total number of the Company Shares). The PFSA also made a reservation that the fact that IPOPEMA PRE-IPO FIZAN and IPOPEMA 10 FIZAN are Company shareholders holding the stakes at the current level does not mean that the PFSA legitimises that state of affairs, which is an altogether different question. As no motion for reassessment of the case had been filed by the statutory deadline, the PFSA's decision became final.

19.2 Incentive Scheme. Share Options

I. Incentive Scheme

On December 5th 2007, the Extraordinary General Shareholders Meeting adopted Resolution No. 2 concerning the adoption of the Company's incentive scheme and the underlying assumptions, and Resolution No. 3 concerning a conditional share capital increase in connection with the implementation of the Incentive Scheme for the key employees of the Company and its subsidiary IPOPEMA TFI, as well as other persons of key importance for the execution of the IPOPEMA Group's strategy, and amending the Company's Articles of Association. On March 20th 2009, the Extraordinary General Shareholders Meeting adopted Resolution No. 3 and Resolution No. 4 amending respectively Resolution No. 2 and Resolution No. 3 of the Extraordinary General Shareholders Meeting, dated December 5th 2007, and by virtue of which the consolidated texts of Resolution No. 2 and Resolution No. 3 were adopted. Pursuant to the approved terms of the Incentive Scheme and the aforementioned resolutions, the Company is authorised to offer free of charge to the Incentive Scheme participants up to 4,857,140 subscription warrants giving their holders the right to acquire 4,857,140 Series C shares. Series C shares may be acquired by holders of subscription warrants by November 30th 2017.

Under Par. 4 of Resolution No. 2 of the Extraordinary General Shareholders Meeting of December 5th 2007 (consolidated text of March 20th 2009), the Management Board of the Company was authorised and obligated to determine the terms and conditions governing the Incentive Scheme in the form of Rules of the Incentive Scheme. The Rules of the Incentive Scheme are subject to approval by the Supervisory Board of the Company. Moreover, the Extraordinary General Shareholders Meeting authorised the Management Board to determine the list of persons (other than members of the Management Board) who are eligible to participate in the Incentive Scheme, as well as to take any legal and practical steps to implement the Rules of the Incentive Scheme.

Under Par. 6 of Resolution No. 3 of the Extraordinary General Shareholders Meeting of December 5th 2007 (consolidated text of March 20th 2009), the Management Board of the Company was further authorised to set the issue prices with respect to specific numbers of Series C shares allocated for acquisition by holders of subscription warrants of the particular series (the issue price of Series C shares may vary depending on the series of subscription warrants).

The purpose of passing the resolution concerning the adoption of the Incentive Scheme and the underlying assumptions is to encourage employees to spend their professional careers working for the Company and to attract new competent staff.

In performance of Resolution No. 2 of the Extraordinary General Shareholders Meeting of December 5th 2007 (consolidated text of March 20th 2009), on March 23rd 2009 the Management Board of the Company passed Resolution No. 6/III/2009 concerning the adoption of the Rules of the Incentive Scheme. The full text of the Rules of the Incentive Scheme is attached as Appendix 4 to the Prospectus. The Rules of the Incentive Scheme were approved by the Supervisory Board of the Company on March 23rd 2009 (Resolution No. 5/III/2009).

As at the Prospectus approval date, several persons from the IPOPEMA Group were included in the Incentive Scheme: the Company concluded agreements with these persons under which it undertook that upon fulfilment of certain conditions specified therein it would give these persons the possibility to acquire the Company shares issued as part of the conditional share capital. Among the persons included in the Incentive Scheme there are members of the Management Board of IPOPEMA TFI, who are entitled – upon fulfilment of certain criteria – to acquire in total 1,166,667 Series C shares (which as at the Prospectus approval date represent 4.08% of the aggregate number of shares and confer the right to 4.08% of the total vote at the General Shareholders Meeting) at the issue price of PLN 0.47 per share ("Share Option Plan I"). For detailed information concerning the aforementioned agreements, see Section 20.11 and 20.12 of the Prospectus.

Under agreements with the other persons included in the Incentive Scheme as at the Prospectus approval date, such other persons are entitled – upon fulfilment of certain criteria – to acquire in total 714,285 Series C shares (which as at the Prospectus approval date represent 2.50% of the aggregate number of shares and confer the right to 2.50% of the total vote at the General Shareholders Meeting) at the issue price per share equal to the price of the Company Shares offered in the initial public offering ("Share Option Plan II").

The list of persons eligible to acquire the remainder of the Series C shares ("Share Option Plan III") has not yet been determined, neither have any decisions been made as to whether any such shares will be offered.

II. Performed Share Option Agreements

In the first six months of 2006, DI IPOPEMA, as the then sole shareholder of the Company (the "Shareholder"), concluded share option agreements ("Share Option Agreements") with current members of the Management Board (Stanisław Waczkowski, Mariusz Piskorski and Mirosław Borys), a member of the Supervisory Board (Bogdan Kryca) and key employees of the Secondary Market Department and the Capital Market Department ("Entitled Persons"), whereunder each of the persons listed above was offered to buy Company shares held by DI IPOPEMA ("Share Option I"). Under said agreements, the Entitled Persons were granted the right to acquire shares representing 31.25% of the total number of the Company shares and conferring the right to 31.25% of the total vote at the General Shareholders Meeting, with 18.75% of the total number of shares being offered to members of the Management Board enumerated above, including: (i) Stanisław Waczkowski – 11%, (ii) Mariusz Piskorski – 4.5%, (iii) Mirosław Borys – 3.25%, and (iv) Bogdan Kryca – 1%.

The deadline for exercising the abovementioned share options expired on August 29th 2008, and by that date all shares, in the number specified above, were acquired by the Entitled Persons, either directly or indirectly through their related parties. Specifically, on August 1st 2008 Mariusz Piskorski and Mirosław Borys, acting through their respective subsidiaries i.e. MJM Inwestycje Piskorski S.k.a. and Futuro Capital Borys S.k.a, entered into separate agreements with the Shareholder by virtue of which the rights and obligations of the Entitled Persons arising under the concluded Share Option Agreements were transferred onto the subsidiaries. Upon completion of a procedure specified in the Share Option Agreement, the said subsidiaries acquired all the shares as contemplated by the Share Option Agreements. With respect to Bogdan Kryca, the right to acquire the Shares was transferred onto and subsequently exercised by his subsidiary Dominium Inwestycje Kryca S.k.a. The acquisition of shares by Stanisław Waczkowski was a two-stage process: initially, he acquired a portion of the shares to which he was entitled, conferring the right to 9.98% of the total vote at the General Shareholders Meeting, and contributed these shares to IPOPEMA 10 FIZAN (for detailed information, see Section 17.1.5 of the Prospectus), and subsequently acquired the remaining 1.02% of the shares. The shares were transferred onto the Entitled Persons in performance of the Share Option Agreements directly by the Shareholder or by IPOPEMA 9 FIZAN or IPOPEMA PRE-IPO FIZAN as entities nominated by the Shareholder to perform the agreements (such nomination took place in exercise of a right vested in the Shareholder under the agreements).

Upon exercise of Share Option I, the Entitled Persons – except for Bogdan Kryca – submitted to the Shareholder an irrevocable offer to sell a portion of or all the shares covered by Share Option I to the Shareholder or an entity nominated by the Shareholder (“Share Option II”). With respect to some Entitled Persons, including Stanisław Waczkowski and Mirosław Borys, Share Option II expires on August 1st 2009 – this pertains to shares representing 23.25% of the total number of the Company shares. As far as other persons are concerned, Share Option II remains valid until the last day of: (i) the 24-month period commenced on the first day of listing of the Company shares on the Warsaw Stock Exchange – with respect to 75% of the shares held by a given person, and (ii) the 12-month period commenced on the first day of listing of the Company shares on the Warsaw Stock Exchange – with respect to the remaining shares. These provisions pertain to shares representing in aggregate 6.75% of the total number of the Company shares, taking into account the fact the agreement was terminated by mutual agreement of the parties with respect to one of the persons referred to above (holding shares representing 0.25% of the total number of the Company shares), and subject to a further reservation that with respect to Mariusz Piskorski, after the introduction of the Company Shares to trading on the WSE, Share Option II is limited to 75% of the Shares held by him. The aforementioned offer by the Entitled Persons to sell the shares as part of Share Option II may be accepted by the Shareholder (or an entity nominated by the Shareholder) in the circumstances specified in the Share Option Agreement, including, as the case may be (depending on the type of employment relationship and position held): (i) in the event that an Entitled Person terminates the employment contract or the Company terminates the employment contract due to reasons attributable to the employee (an Entitled Person), or (ii) in the event that an Entitled Person resigns as member of the Company’s Management Board and, concurrently, submits a written statement to the effect that he/she refuses to perform or discontinues the performance of services or work for the Company, except to the extent that this follows from reasons beyond such Entitled Person’s control or such Entitled Person being removed from the Company’s Management Board due to such person’s fault.

Furthermore, the Share Option Agreement specifies the circumstances in which an Entitled Person, in connection with certain steps taken by the Shareholder: (i) will have the right to dispose of the Company shares acquired in exercise of Share Option I together with the Company shares disposed of by the Shareholder (“Tag-Along Right”) in the event that the Shareholder (in this case understood as either JL S.A. or Jacek Lewandowski) intends to dispose of a part of or all the Company shares held to a third party other than a Company’s employee or associate, and (ii) will have the duty to dispose of the Company shares acquired in exercise of Share Option I (“Drag-Along Right”) in the event that a third party approaches the Shareholder (in this case understood as either JL S.A. or Jacek Lewandowski) with an offer to acquire all the Company shares held by the Shareholder.

Moreover, under the Share Option Agreements, the Entitled Persons assumed a number of obligations, including an obligation to observe certain rules and restrictions applicable to the transfer of the Company shares defined in compliance with the applicable laws and regulations, as well as an obligation to refrain from transferring the shares for a period agreed with the Company and the Shareholder (lock-up period), with the reservation that such a period will not last longer than 24 months from the date of allotment of shares in the public offering. The parties agreed that the above restriction will not apply with respect to a transfer in the public offering of up to 25% of the shares acquired by an Entitled Person in exercise of Share Option I.

The Share Option Agreements – except for the one executed with Bogdan Kryca – have been concluded for a definite period and, subject to other provisions thereof, expire on the expiry date of Share Option II referred to above.

The additional provisions of the Share Option Agreements discussed above do not apply to the Share Option Agreement with Bogdan Kryca, which is unconditional and irrevocable.

Other Transactions

On June 3rd 2008, limited joint-stock partnerships Futuro Capital Borys S.k.a., MJM Inwestycje Piskorski S.k.a. and Dominium Inwestycje Kryca S.k.a. were established, which are currently the Company’s shareholders following the performance of the Share Option Agreements discussed in Section 19.2. The partnerships were founded by, respectively, Mirosław Borys (Vice-President of the Management Board), Mariusz Piskorski (Vice-President of the Management Board) and Bogdan Kryca (member of the Supervisory Board) (who are general partners and shareholders holding one share in the respective limited joint-stock partnerships) and IPOPEMA 19 Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych (closed-end private equity fund), managed by IPOPEMA TFI (entered into the register of investment funds under entry no. RFI 385), which holds 49,999 non-voting shares in each respective partnership. The shares in each of the abovementioned partnerships may be repurchased from the fund by, respectively, Mirosław Borys, Mariusz Piskorski and Bogdan Kryca, by July 31st 2015 under agreements concluded by each of them on July 31st 2008 with IPOPEMA TFI as the governing body of IPOPEMA 19 FIZAN. The option to repurchase the shares from the fund is irrevocable and may be exercised unconditionally at any time before the date specified above. The persons named above are also the sole participants of the fund, holding investments certificates issued by the fund in the equal number.

20. RELATED PARTY TRANSACTIONS

Described below are those of the Company's transactions with related parties (as defined in IAS 24) concluded by the Prospectus approval date which are deemed material by the Company's Management Board. When selecting related party transactions to be described in this Prospectus, it was not possible to choose a single, objective materiality criterion as the transactions differ considerably in nature. Accordingly, these of the agreements concluded by the Company have been described which in the opinion of the Management Board were or are material to the Company's business due to their values, types and the nature of the parties' obligations thereunder. However, notwithstanding the above, this Section 20 also includes information on other agreements, which – while immaterial to the Company's business – could be material for the investors' assessment of the nature of the links between the Company and its related parties.

Each agreement to which the Company is a party with respect to which a comparison with market terms was possible, was concluded on such market terms. However, in every case, the Company's objective was to negotiate and agree such terms which would be the most favourable to the Company.

Agreements concluded between the Company and its related parties are governed by the provisions of Par. 16.3.m) of the Company's Articles of Association. These provisions specify the types of and parties to agreements whose conclusion requires the Supervisory Board's approval.

In 2007, revenue generated from transactions with related parties represented approximately 3% of the Company's total revenue, while costs and expenses attributable to such transactions represented approximately 7% of the Company's total costs and expenses.

1) Engagement Contract of April 5th 2007 between the Company and Manchester Securities Corp.

Under the contract, Manchester Securities Corp. engaged the Company to act as a broker and financial advisor with respect to the then planned transaction of sale of shares in a company listed on the WSE and its subsidiary by Manchester Securities Corp. or its related parties ("the Transaction"). For the performance of services under this contract, the Company was entitled to a commission whose amount was determined on market terms. The Transaction did not take place and the contract expired.

2) Engagement Contract of September 21st 2007 between the Company and Manchester Securities Corp.

Under the contract, Manchester Securities Corp. engaged the Company to provide advisory services in connection with the arrangement of debt financing for a private investor. For the performance of services under this contract, the Company received remuneration totalling USD 900,000. Of that amount, the Company received USD 450,000 on a one-off basis. Pursuant to the provisions of the contract, the balance of the remuneration was to be released to the Company within 14 days after the borrower's (the private investor's) repayment of a loan granted by Manchester Securities Corp. Until that date, the amount bore interest. Should the borrower have failed to repay the loan in full, the retained balance would have been reduced proportionally to the value of the non-repaid loan. The contract was performed and settled.

3) Loan Agreement of April 17th 2007 between the Company and Manchester Securities Corp.

Under the agreement, Manchester Securities Corp. advanced to the Company a loan in the amount of PLN 15,000,000 to be used for a partial payment (on April 17th 2007) of a contribution required by the Polish NDS pursuant to the Rules of the Settlement Guarantee Fund approved by Resolution No. 10/60/98 of the Supervisory Board of the Polish NDS, dated September 28th 1998. The loan was granted for six days, that is until April 23rd 2007 and bore interest at the rate of 15% p.a. In exchange for the possibility to use the loan, the Company undertook to pay to Manchester Securities Corp. a one-off fee in the amount of PLN 150,000. The loan, together with interest and the fee, was repaid by the contractual deadline.

4) Loan Agreement of April 29th 2007 between the Company and Manchester Securities Corp.

Under the agreement and the annex thereto signed by the parties on April 29th 2007, Manchester Securities Corp. advanced to the Company a loan in the amount of PLN 15,000,000 to be used for payment of the contributions required by the Polish NDS pursuant to the Rules of the Settlement Guarantee Fund approved by Resolution No. 10/60/98 of the Supervisory Board of the Polish NDS, dated September 28th 1998. The loan was granted for the period until June 29th 2007 and bore interest at the rate of 15% p.a. In exchange for the possibility to use the loan, the Company undertook to pay to Manchester Securities Corp. a one-off fee in the amount of PLN 112,500. The loan was repaid by the contractual deadline.

5) Guarantee and Counterclaim Agreement dated July 25th 2007 between Elliott Associates L.P. and the Company

Under the agreement Elliott Associates L.P. ("Elliott Associates") undertook to issue a guarantee for up to PLN 50,000,000 in order to secure the repayment of the Company's liabilities under the Agreement of July 25th 2007 on Working Capital Facility (Credit Line) in the Guarantee Fund Servicing Account. Under the Guarantee and Counterclaim Agreement, the Company undertook to repay to Elliott Associates any amounts paid by Elliott Associates under the guarantee to its beneficiary. Moreover, the Company irrevocably and unconditionally undertook to reimburse Elliott Associates for any costs, expenses and losses incurred by Elliott Associates in connection with its performance of obligations under the guarantee. The guarantee was issued on July 25th 2007 and amended on August 21st 2007. The agreement expired on September 5th 2008.

6/ Investment Agreement of July 12th 2006 between DI IPOPEMA, Mr. Jacek Lewandowski, the Company and Manchester Securities Corp.

The key provisions of the agreement provided for increasing the Company's share capital through the issue of shares to be acquired by Manchester Securities Corp. (857,142 shares) and Mr. Jacek Lewandowski (1,299,999 shares). In the Annex of August 16th 2006, the parties agreed that the share capital increase would be effected in two stages. In the first share capital increase, Manchester Securities Corp. would acquire 87,390 shares for a total price of PLN 2,670,638.40 and Mr. Jacek Lewandowski – 87,390 shares for a total price of PLN 87,390. In the second share capital increase, Manchester Securities Corp. would acquire 769,752 shares for a total price of PLN 5,334,381.36, and Mr. Jacek Lewandowski – 1,212,609 shares for a total price of PLN 1,212,609. All the shares were registered shares and were identical with the existing Company shares held by DI IPOPEMA. In addition, Manchester Securities Corp. was obligated to grant to the Company a loan in the amount equal to the value of the shares to be acquired by Manchester Securities Corp. in the second share capital increase, i.e. PLN 5,334,381.36. The loan was to be repaid within three business days from the date on which Manchester Securities Corp. submits the representation on acquisition of the shares in the second share capital increase, however not later than by April 5th 2007, subject to the other provisions of the agreement. The loan was advanced and repaid in line with the terms and conditions of the agreement. All the share issues discussed above were carried out and registered in 2006.

In addition, the parties undertook to take steps to procure the admission of the Company shares to trading on the regulated market operated by the WSE within 36 months from the agreement execution date, unless such admission is not advisable in view of the prevailing market conditions.

Furthermore, the parties also agreed, among other things, that: the business conducted up until then by DI IPOPEMA would be transferred to the Company; Mr. Jacek Lewandowski and DI IPOPEMA may not sell or otherwise dispose of the Company shares held by them without the consent of Manchester Securities Corp. (except for selling the shares to certain key employees or associates); the number of shares held directly or indirectly by Mr. Jacek Lewandowski (currently or in future) may not be lower than a number representing 25% of all the Company shares – with the reservation that this restriction expires on the lapse of six years from the date of the second share capital increase or on the date of the first listing of the Company shares on the regulated market operated by the WSE. In addition, the agreement provided for changes to the composition of the Supervisory Board and amendments to the Articles of Association concerning, *inter alia*, the scope of powers of the Company's governing bodies and the terms and conditions for contracting financial liabilities by the Company. The Company's Articles of Association were amended in line with the provisions of the agreement, and on December 5th 2007 and, subsequently, March 20th 2009 the General Shareholders' Meeting (with the participation of Manchester Securities Corp.) adopted the new text of the Articles of Association.

On February 15th 2008, the parties to the Investment Agreement executed Annex No. 2. In the Annex the parties agreed, *inter alia*, that as soon as all the Company shares are introduced to trading on the WSE, the Investment Agreement would expire and the obligations arising under the agreement would be deemed duly performed.

7/ Agreement on Offering of Shares of May 4th 2009 between the Company and Manchester Securities Corp.

Under the agreement, the Company undertook to carry out an offering of sale of a portion of the Company shares held by Manchester Securities Corp. and to introduce such shares to trading on the WSE. In particular, the Company undertook to provide advice on structuring the offering, defining its terms and conditions, defining the price range for the offered shares, as well as organising and carrying out the activities connected with the sale. In exchange for the above services Manchester Securities Corp. undertook to pay the Company a commission fee defined in the agreement, whose amount does not differ the standard market rates. The agreement also imposes restrictions on the sale of the Shares held by Manchester Securities Corp., which is discussed in detail in Section 29 of the Prospectus. This agreement superseded the first agreement on offering of Shares concluded between the Company and Manchester Securities Corp. on February 15th 2008, which expired on June 30th 2008.

8/ Agreement of October 1st 2006 between the Company and DI IPOPEMA

In line with the terms and conditions specified in the agreement, DI IPOPEMA agreed to three of its employees (Messrs Jacek Lewandowski, Mirosław Borys and Mariusz Piskorski) providing services to the Company starting from of October 1st 2006. The conclusion of the agreement was confirmed by the parties on October 24th 2007. In exchange, the Company undertook to pay DI IPOPEMA a compensation equal to the aggregate gross remuneration to which these three persons are entitled under their employment contracts with DI IPOPEMA plus the mandatory social security contributions. The agreement was terminated with effect from December 31st 2007. The total amount paid by the Company to DI IPOPEMA under the agreement (for the entire period when the agreement was effective) was PLN 964 thousand.

9/ Agreement of December 14th 2007 made between the Company and Manchester Securities Corp.

Under the agreement, the Company paid to Manchester Securities Corp. a fee of PLN 1,000,000 for advisory services provided in connection with the transaction of raising financing for one of the Company's clients (for the purpose of the client's acquisition of shares in two companies from the telecom industry) and in connection with Manchester Securities Corp.'s commitment to participate in the financing of the said transaction.

10/ Agreement of April 25th 2008 made between the Company and Dominium Capital Polska Sp. z o.o.

The agreement specified the amount and the terms and conditions of payment of the remuneration by the Company for the activities performed by Dominium Capital Sp. z o.o. as part of the transaction where Manchester Securities Corporation provided debt financing to one of the Company's clients. The remuneration was set at the zloty equivalent of USD 90,000. On behalf of Dominium Capital Sp. z o.o. the agreement was signed by Bogdan Kryca, member of the Company's Supervisory Board. The agreement was performed.

11/ Stock Option Agreement between the Company and members of the management board of IPOPEMA TFI

On December 21st 2007, IPOPEMA Securities concluded a Stock Option Agreement with members of the management board of IPOPEMA TFI – Messrs Maciej Jasiński, Jarosław Wikaliński and Jacek Osowski (the Investors). The objective of the agreement was to give the three management board members a long-term incentive to work towards continued growth of the value of IPOPEMA TFI (and the IPOPEMA Group), by way of enabling each Investor to acquire shares in IPOPEMA Securities. On April 11th 2008, the agreement was terminated with respect to Mr Jacek Osowski in connection with his planned resignation from IPOPEMA TFI's management board. With respect to the other members of the management board of IPOPEMA TFI, the stock option agreement remained unchanged.

Pursuant to the agreement, shares should be acquired as part of implementation of the Incentive Scheme (subject to its approval by the Supervisory Board) in which the Investors will be entitled to acquire shares representing in aggregate 3.32% of the Company's current share capital, i.e. 952,380 shares, for a total issue price of PLN 447,618.60. The Incentive Scheme will be implemented based on subscription warrants. Each of the eligible persons specified above will be entitled to acquire the same number of subscription warrants, and the warrants will entitle their holders to acquire new issue shares in the Company (one share per one warrant). The shares to be acquired by holders of subscription warrants will be issued as part of a conditional share capital increase. The right to acquire new issue shares is conditional upon IPOPEMA TFI reaching pre-determined economic parameters. The condition for exercising the right to acquire shares in the first tranche (a total of 285,714 shares) is IPOPEMA TFI generating positive financial performance in any quarter of 2008.

If the eligible persons intend to sell the acquired shares to a third party (not a Company shareholder), the Company or another entity designated by the Company will have the pre-emptive right to acquire such shares. Investors are obligated, *inter alia*, to cooperate with IPOPEMA Securities in connection with the planned public offering of shares in IPOPEMA Securities and their introduction to trading on the WSE, and not to sell their shares over a period agreed upon with the Company. In addition, the Investors undertook to comply with non-compete provisions under which they are not to conduct any activity competitive to the activity of IPOPEMA Securities on the pain of a contractual penalty of PLN 100,000 for each day when a breach of the non-compete provisions persists. The non-compete provisions expire on the day when the Investors acquire the last share to which they are entitled. If the issue of shares is not effected for reasons attributable to IPOPEMA Securities exclusively and, as a consequence, the Investors are not able to exercise their stock options, IPOPEMA Securities will be obligated to pay a contractual penalty of PLN 1,000,000.

12/ Stock Option Agreement between the Company and Marek Świętoń

On May 30th 2008, IPOPEMA Securities concluded a Stock Option Agreement with a member of the management board of IPOPEMA TFI – Marek Świętoń (the Investor). The objective of the agreement was to give the Investor a long-term incentive to work towards continued growth of the value of IPOPEMA TFI (and the IPOPEMA Group), by enabling him to acquire shares in IPOPEMA Securities.

Pursuant to the agreement, shares should be acquired as part of implementation of the Incentive Scheme (subject to its approval by the Supervisory Board) in which the Investor will be entitled to acquire shares representing 0.75% of the Company's current share capital, i.e. 214,287 shares, for a total issue price of PLN 100,714.89. The Incentive Scheme will be implemented based on subscription warrants which will give the right to acquire new issue shares in the Company (one share per one warrant). The shares to be acquired in exchange for the subscription warrants will be issued as part of a conditional share capital increase. The right to acquire new issue shares is conditional upon IPOPEMA TFI reaching pre-determined economic parameters. The condition for exercising the right to acquire shares in the first tranche (a total of 71,429 shares) is IPOPEMA TFI generating positive financial performance in any quarter of 2008.

If the Investor intends to sell the acquired shares to a third party (not a Company shareholder), the Company or another entity designated by the Company will have the pre-emptive right to acquire such shares. The Investor is obligated, *inter alia*, to cooperate with IPOPEMA Securities in connection with the planned public offering of shares in IPOPEMA Securities and their introduction to trading on the WSE, and not to sell his shares over a period agreed upon with the Company. In addition, the Investor undertook to comply with non-compete provisions, under which he is not to conduct any activity competitive to the activity of IPOPEMA Securities, on the pain of a contractual penalty of PLN 25,000 for each day when a breach of the non-compete provisions persists. The non-compete provisions expire on the day when the Investor acquires the last share to which he is entitled.

13/ Loan Agreement between the Company and Alicja Kryca

Under the agreement, Alicja Kryca (wife of Bogdan Kryca – member of the Company's Supervisory Board) advanced to the Company a loan of PLN 2,000,000. In line with the annex executed on March 29th 2007, the repayment date was set at May 31st 2007. The loan bore interest at 3M WIBOR (as at the date of a drawdown) plus 3 percentage points annually. The interest on the loan was to be repaid in a one-off payment together with the principal amount on the loan maturity date. In exchange for advancing the loan, Alicja Kryca received a one-off compensation of PLN 8,000. In order to secure the repayment of the loan, on November 16th 2006 Jacek Lewandowski issued a surety of up to PLN 3,000,000 with respect to the Company's liabilities under the agreement. The surety was valid until June 15th 2007. The loan was repaid together with the interest.

21. COURT AND ARBITRATION PROCEEDINGS

Save for the administrative proceedings before the Polish Financial Supervision Authority connected with the Company's seeking to obtain an authorisation to conduct brokerage activity (and in the case of IPOPEMA TFI – an authorisation to operate as an investment fund management company), the Company has not been a party to any court, arbitration or administrative proceedings which would have a significant bearing on the Company's or IPOPEMA Group's financial position or profitability.

Notwithstanding the foregoing, in connection with the fact that IPOPEMA Securities conducts brokerage activity and also is a member of the Stock Exchange and a participant of the Polish NDS, some routine inspections have been carried out at the Company by these capital market institutions, the General Inspector for Financial Information, as well as the Polish Financial Supervision Authority as the supervisor of brokerage houses. In particular, the inspection carried out by the Polish Financial Supervision Authority in the period from February 27th to June 27th 2008 covered various aspects and areas of the Company's business activity. As a result of the inspection, on September 17th 2008 the Company received post-inspection recommendations to eliminate the identified irregularities. The Company immediately set about eliminating the irregularities, having notified the PFSA accordingly.

Furthermore, Mr Stanisław Waczkowski and IPOPEMA PRE-IPO FIZAN have also been parties to administrative proceedings before the Polish Financial Supervision Authority in connection with submitted notifications of intended acquisition of the Company Shares in a number representing more than 10% of the total number of shares and votes at the GM. For more information on this subject, see Section 19.1 of the Prospectus.

22. SHARES AND SHARE CAPITAL

22.1 Number and Type of Shares Comprising the Company's Share Capital

As at June 30th 2008, the Company's share capital amounted to PLN 2,857,141 and comprised 28,571,410 ordinary registered shares, with a par value of PLN 0.10 per share, including:

- 1) 7,000,000 Series A ordinary registered shares;
- 2) 21,571,410 Series B ordinary registered shares.

All the shares have been fully paid up with cash.

To date, the Company shares have not been traded on any market.

In addition to the shares comprising the share capital, a conditional increase of the Company's share capital by no more than PLN 485,714, effected through the issue of 4,857,140 Series C ordinary bearer shares, has been registered (for detailed information, see Section 22.6 of the Prospectus).

22.2 Company Shares

The Issuer shares are not traded on any regulated market.

No Company shares exist other than the shares comprising the Company's share capital.

Neither IPOPEMA Securities S.A., nor any other person acting on its behalf (save for members of the Management Board and Supervisory Board (or their related parties), as discussed in Section 19.2 and elsewhere in the Prospectus), nor any of the Company's subsidiaries, hold any shares in the Company.

22.3 Other Securities

The Company has not issued any convertible or exchangeable securities. On December 5th 2007, the Company's Extraordinary General Shareholders' Meeting adopted Resolution No. 2 concerning the Incentive Scheme and Resolution No. 4 concerning the issue of subscription warrants. On March 20th 2009, the said resolutions were amended, respectively by Resolution No. 3 and Resolution No. 5 of the Extraordinary General Shareholders' Meeting, whereunder the consolidated text of the resolutions was also approved.

"Resolution No. 2 of the Extraordinary General Shareholders' Meeting of IPOPEMA Securities S.A., dated December 5th 2007, concerning the adoption of the Company's incentive scheme and the underlying assumptions (consolidated text of March 20th 2009)

Par.1

The Extraordinary General Shareholders' Meeting of IPOPEMA Securities S.A. hereby approves the adoption of the incentive scheme ("Incentive Scheme") for current and future key employees of the Company and its subsidiaries, as well as for other persons of key importance for the execution of the IPOPEMA Group's strategy ("Eligible Persons").

Par.2

The Incentive Scheme is based on subscription warrants issued by the Company under a separate resolution.

Par.3

Eligible Persons who acquire subscription warrants will have the right to acquire one series C registered share in exchange for each subscription warrant held by them at the price and at the time determined in accordance with the rules of the Incentive Scheme.

Par.4

The Extraordinary General Shareholders' Meeting hereby authorises and obligates the Management Board to determine, by adopting a relevant resolution the terms and conditions governing the implementation of the Incentive Scheme in the form of rules of the Incentive Scheme ("Rules of the Incentive Scheme") and to submit the Rules of the Incentive Scheme for approval to the Supervisory Board. The Extraordinary General Shareholders' Meeting hereby authorises the Management Board to determine the list of Eligible Persons other than members of the Management Board. The Management Board is authorised to take any legal or practical steps required to implement the Rules of the Incentive Scheme.

Par.5

The terms and conditions governing the implementation of the Incentive Scheme shall be determined based on the following assumptions:

1. *Objective* – encouraging employees of the IPOPEMA Group to spend their professional careers working for IPOPEMA Securities S.A. or one of its subsidiaries ("the IPOPEMA Group") and attracting new competent staff by creating stimuli that

would motivate highly qualified persons of key importance for the implementation of the IPOPEMA Group's strategy to act in the best interest of the IPOPEMA Group by offering them the opportunity to acquire the Company shares.

2. *Size* – the Incentive Scheme shall involve the issue of subscription warrants whose holders shall have the right to acquire up to 4,857,140 (four million, eight hundred and fifty-seven thousand, one hundred and forty) series C ordinary registered shares, with a par value of PLN 0.10 (ten groszy) per share, representing up to 17% (seventeen percent) of the Company's share capital.
3. *Persons eligible to participate in the Incentive Scheme* – members of the Management Board and such other persons who are deemed by the Management Board to be key employees of the IPOPEMA Group companies or persons of key importance for the execution of the IPOPEMA Group's strategy whose names are included in the relevant List of Eligible Persons, determined in accordance with the provisions of Par. 4.
4. *Duration* – the Incentive Scheme shall be launched on the date of approval of the Rules of the Incentive Scheme by the Supervisory Board. Subscription warrants may be acquired by Eligible Persons from December 2007 to November 30th 2012.
5. *Number of subscription warrants to be acquired during the term of the Incentive Scheme* – the number of subscription warrants allocated for acquisition by each Eligible Person during the term of the Incentive Scheme shall be determined in accordance with the Rules of the Incentive Scheme.
6. *Terms and conditions governing the acquisition of subscription warrants and exercise of the rights attached to the warrants* – the conditions which must be met by each Eligible Person in order to acquire the subscription warrants and exercise the rights attached thereto shall be determined in accordance with the Rules of the Incentive Scheme.

Par.6

The Rules of the Incentive Scheme may provide for separate share option plans under the Incentive Scheme and specify the nature, size, relevant dates and other parameters for each such plan."

"Resolution No. 4 of the Extraordinary General Shareholders' Meeting of IPOPEMA Securities S.A., dated December 5th 2007, concerning the issue of subscription warrants (consolidated text of March 20th 2009)

Acting pursuant to Art. 393 and Art. 453 of the Commercial Companies Code, the Extraordinary General Shareholders' Meeting of IPOPEMA Securities S.A. hereby resolves as follows:

Par.1

The Company shall issue up to 4,857,140 registered subscription warrants ("Warrants"), each conferring the right to acquire one series C ordinary registered share ("Series C shares").

Par.2

The persons eligible to acquire the Warrants ("Eligible Persons") will be selected in accordance with the Rules of the Incentive Scheme referred to in Resolution No. 2 of the Extraordinary General Shareholders' Meeting, dated December 5th 2007 ("Rules of the Incentive Scheme"), adopted by the Management Board and approved by the Supervisory Board.

Par.3

Warrants shall be issued in a book-entry form.

Par.4

Warrants shall be non-transferable, except where the Rules provide otherwise.

Par.5

Warrants shall be issued free of charge.

Par.6

Warrants shall be acquired by the Eligible Persons in the number and at the time determined in accordance with the Rules of the Incentive Scheme, contingent upon fulfilment of certain criteria. The right to acquire Series C shares by the holders of Warrants as part of the conditional share capital increase may be exercised by November 30th 2017.

Par.7

The Management Board of the Company shall be authorised to take any legal or practical steps required to issue and allot the Warrants to Eligible Persons other than members of the Company's Management Board.

Par.8

The Supervisory Board of the Company shall be authorised to take any legal or practical steps required to issue and allot the Warrants to Eligible Persons being members of the Company's Management Board.

Par.9

The conditions to be met by the Eligible Persons in order to exercise the right to acquire Series C shares in exchange for the Warrants held by them shall be determined in accordance with the Rules of the Incentive Scheme.

Par.10

The existing shareholders' pre-emptive rights to acquire Warrants shall be waived. The opinion issued by the Company's Management Board providing grounds for such disapplication and concerning the issue price, has been submitted to the General Shareholders' Meeting of the Company and is presented below.

Opinion of the Company's Management Board on the waiving of the existing shareholders' pre-emptive rights to acquire the subscription warrants and the issue price:

"This opinion has been prepared by the Management Board of the Company under Art. 433.2, in conjunction with Art. 433.6 of the Commercial Companies Code.

The Management Board of the Company hereby recommends to the General Shareholders' Meeting to waive the existing shareholders' pre-emptive rights with respect to the subscription warrants and to issue the subscription warrants free of charge.

GROUNDS

The subscription warrants will be issued in order to carry out an incentive scheme based on the Company shares ("Incentive Scheme"), whose implementation is recommended to the General Shareholders' Meeting. The implementation of the Incentive Scheme is in the Company's best interest, and its main purpose is to encourage employees to spend their professional careers working for the IPOPEMA Group and to attract new competent staff by offering them the opportunity to acquire the Company shares.

Taking into account the nature and the format of the Incentive Scheme described above, it is necessary to waive the pre-emptive rights of the existing shareholders with respect to the subscription warrants in order to enable the implementation of the Incentive Scheme.

The grounds presented above also apply to the Management Board's recommendation to issue the subscription warrants free of charge. Upon fulfilment of the criteria prescribed by the Rules of the Incentive Scheme, eligible persons will be able to acquire new shares of the Company at a pre-determined issue price. Hence, it would not be reasonable to set an issue price for subscription warrants and to sell them for a consideration."

As at the Prospectus approval date, the Company did not issue the subscription warrants referred to in the resolutions of the Extraordinary General Shareholders' Meetings presented above.

22.4 Authorised Share Capital

On January 12th 2007, the Company's Extraordinary General Shareholders' Meeting adopted Resolution No 2 concerning amendments to the Company's Articles of Association, as part of which new provisions on authorised share capital were added in Par. 7. Pursuant to Par. 7.3 of the Company's Articles of Association, the Management Board was authorised to increase the share capital up to a total of PLN 857,142 through the issue of new shares by way of a single increase or a series of increases up to the limit referred to above, over the period of three years from the date of entry in the Register of Entrepreneurs of the amendment to the Articles of Association introduced by virtue of Resolution No. 2 referred to above, and with the reservation that no more than 285,714 shares may be issued each year (before the 1:10 split).

On December 5th 2007, the Company's Extraordinary General Shareholders' Meeting adopted Resolution No. 1 concerning amendments to the Company's Articles of Association, including an amendment relating to the authorised share capital. Under the amendment, the Management Board is authorised to increase the share capital by an aggregate amount of up to PLN 350,000 through the issue of up to 3,500,000 new shares (allowing for the 1:10 split) by way of a single increase or a series of increases up to the limit referred to above, over the period of three years from the date of entry in the Register of Entrepreneurs of the amendment to the Articles of Association introduced by virtue of the abovementioned Resolution No. 1 of the Company's Extraordinary General Shareholders' Meeting of December 5th 2007. A share capital increase within the limit of the authorised share capital must be approved by the Supervisory Board. The Management Board's authorisation to increase the share capital within the authorised limit expires three years after the date of registration of the amendment to the Articles of Association introduced by the resolution referred to above. While increasing share capital through the issue of new shares within the authorised share capital limit, the Management Board may restrict or waive the pre-emptive rights of the existing shareholders exclusively with the Supervisory Board's approval, and provided further that at least one independent member of the Supervisory Board votes in favour of the Supervisory Board's resolution concerning the restriction of the pre-emptive rights.

By the Prospectus approval date, the Company did not increase its share capital within the limits of the authorised share capital. Moreover, the Company is under no obligation to so increase its share capital in the future, however there is no assurance that it will not assume such an obligation in the future. No natural or legal person is entitled to demand of the Company to issue shares and to be offered such shares.

22.5 Options over the Share Capital

Other than under the option agreements concluded by the Company with members of the Management Board of IPOPEMA TFI (described in Section 20 of this Prospectus) and under the agreements with other persons (the Company's employees) covered by the Incentive Scheme (referred to in Section 19.2 I of this Prospectus), as at the Prospectus approval date, the Company neither granted any options, nor undertook to grant options, entitling any natural or legal person to acquire shares in the Company. On December 5th 2007, the Company's Extraordinary General Shareholders' Meeting adopted Resolution No. 2 concerning the adoption of the Company's incentive scheme and the underlying assumptions, Resolution No. 4 concerning the issue of subscription warrants and Resolution No. 3 concerning a conditional share capital increase in connection with the implementation of the Incentive Scheme for the key employees of the Company and its subsidiary IPOPEMA TFI, as well as other persons of key importance for the execution of the IPOPEMA Group's strategy, and concerning an amendment to the Company's Articles of Association. On March 20th 2009, the Company's Extraordinary General Shareholders' Meeting adopted Resolutions No. 3, 4 and 5 amending respectively Resolutions No. 2, 3 and 4 of the Extraordinary General Shareholders' Meeting held on December 5th 2007 and approving their consolidated texts. In accordance with the adopted rules of the Incentive Scheme and the aforementioned resolutions, the Company may offer to the persons eligible to participate in the Scheme up to 4,857,140 subscription warrants which will entitle their holders to acquire up to 4,857,140 Series C ordinary registered shares. Depending on the series of Warrants, their holders will be able to exercise their right to acquire Series C shares at different times, from 2008 to November 30th 2017.

No options have been granted in respect of the share capital of IPOPEMA TFI, a subsidiary of the Company, either.

22.6 History of the Share Capital

In the Company's entire history, the General Shareholders' Meeting of the Company has adopted two resolutions concerning a capital increase through the issue of new shares.

The first capital increase was made under Resolution No. 2 adopted by the Extraordinary General Shareholders' Meeting held on August 10th 2006. Under the resolution, the Company increased its share capital by PLN 174,780 through the issue of 174,780 Series B registered shares with a par value of PLN 1 per share, carrying preference as to the voting rights and dividend. The issue of Series B shares was intended in equal parts (each comprising 87,390 shares) for Manchester Securities Corp. and Mr Jacek Lewandowski. The issue price of the shares acquired by Manchester Securities Corp. was PLN 30.56 per share, while the issue price of the shares acquired by Mr Jacek Lewandowski was equal to their par value, that is PLN 1 per share. The same Extraordinary General Shareholders' Meeting also adopted Resolution No. 4, under which the share capital was increased by PLN 1,982,361 through the issue of 1,982,361 Series C registered shares with a par value of PLN 1 per share, carrying preference as to the voting rights and dividend. 769,752 Series C shares were subscribed for by Manchester Securities Corp. at the issue price of PLN 6.93 per share. The remaining 1,299,999 Series C shares were subscribed for by Mr Jacek Lewandowski at the issue price equal to the par value, that is PLN 1 per share.

On January 12th 2007, the Company's Extraordinary General Shareholders' Meeting adopted Resolution No. 1 to abolish the preferred status of Series A, B and C shares in the Company. Under the resolution, the preference as to the voting rights and dividend payment, attached to the Series A, B and C shares, was abolished. Consequently, Series A, B and C shares became ordinary registered shares.

On December 5th 2007, the Company's Extraordinary General Shareholders' Meeting adopted Resolution No. 1 concerning amendments to the Company's Articles of Association and approval of the consolidated text of the Articles of Association. Under the resolution, the series of the then existing shares were changed, as was the par value per share (the wording of the Articles of Association and their consolidated text were amended by Resolutions No. 1 and 2 adopted by the Company's Extraordinary General Shareholders' Meeting of March 20th 2009). Series B and C ordinary registered shares became Series B ordinary registered shares. The par value per share, equal to PLN 1, was decreased by the ratio of 1:10, to PLN 0.10 per share. In exchange for each of the existing Series A ordinary registered share, shareholders received 10 Series A ordinary registered shares. In exchange for each of then existing Series B and C shares, shareholders received 10 Series B ordinary registered shares. After the registration of these amendments to the Articles of Association, the Company's share capital amounts to PLN 2,857,141 and divided into 28,571,410 shares with a par value of PLN 0.10 per share, including 7,000,000 Series A ordinary registered shares and 21,571,410 Series B ordinary registered shares.

The same Extraordinary General Shareholders' Meeting also adopted Resolution No. 3 concerning a conditional share capital increase in connection with the implementation of the Incentive Scheme for the key employees of the Company and its subsidiary IPOPEMA TFI, as well as other persons of key importance for the execution of the IPOPEMA Group's strategy, and concerning an amendment to the Company's Articles of Association (consolidated text of March 20th 2009). Under the resolution, the Company's share capital was conditionally increased by up to PLN 485,714 through the issue of up to 4,857,140 Series C registered ordinary shares with a par value of PLN 0.10 per share, to be offered to the holders of subscription warrants issued by the Company under Resolution No. 4 of the Extraordinary General Shareholders' Meeting of IPOPEMA Securities S.A., dated December 5th 2007, concerning the issue of subscription warrants.

23. ARTICLES OF ASSOCIATION

23.1 Description of the Company's Objects and Purposes

Pursuant to Par. 2.1 of the Company's Articles of Association, IPOPEMA Securities S.A.'s business consists in brokerage activities. In accordance with the PKD (the Polish Classification of Activities), the Company's business comprises:

- a/ brokerage activities and funds management
- b/ other financial intermediation, not elsewhere classified
- c/ business and management consultancy services

23.2 Summary of all Provisions of the Company's Articles of Association and Rules of Procedure with Respect to the Members of the Management and Supervisory Bodies

Management Board

Pursuant to Par. 8 of the Company's Articles of Association, the Management Board is composed of two to five members, including the President, appointed and removed by the Supervisory Board (which determines the number of Management Board members within the limits set forth above), with the exception of the first Management Board, appointed by the Founder. The term of office of the Management Board is three years.

The Management Board acts in accordance with the Rules of Procedure adopted by the Supervisory Board (Par. 9.2 of the Articles of Association). The Management Board makes decisions in the form of resolutions adopted by an absolute majority of votes. In the event of a voting tie, the President of the Management Board has the casting vote (Par. 9.3 of the Articles of Association). The Management Board may adopt its resolutions if all members have been duly notified of the Management Board meeting (Par. 9.4 of the Articles of Association). In principle, matters which require adoption of a resolution by the Management Board are considered at Management Board meetings, which are opened and chaired by the President of the Management Board or a person to whom the President delegates the authority (Par. 5 of the Rules of Procedure for the Management Board). In the case of urgent business, the Management Board may adopt resolutions outside of a meeting (Par. 6.4 of the Rules of Procedure for the Management Board). Meetings of the Management Board are convened by the President of the Management Board on his own initiative or at the request of another Management Board member, and are held on an as-needed basis (Par. 6 of the Rules of Procedure for the Management Board). A Management Board meeting may be held without being formally convened, provided that all the Management Board members express their consent no later than on the date of the meeting and confirm the same in writing or place their signatures on the attendance list. The agenda of a Management Board meeting (determined by the President of the Management Board or a person to whom the President delegates that authority), along with the relevant materials, is distributed to all Management Board members; the proposed agenda may be amended during a Management Board meeting, provided that all the Management Board members are present and none of those present object to the amendment (Par. 7.3 of the Rules of Procedure for the Management Board). The proceedings of each Management Board meeting are recorded in minutes (Par. 8.1 of the Rules of Procedure for the Management Board).

The Management Board members are obliged and authorized to jointly manage the Company's affairs, however the Management Board may assign day-to-day oversight of particular areas of the Company's operations to individual Management Board members. (Par. 11 of the Rules of Procedure for the Management Board).

Declarations of will on behalf of the Company may be made by two Management Board members acting jointly (Par. 10 of the Articles of Association). The scope of powers of the Management Board includes any matters which are not reserved for other governing bodies of the Company by the Commercial Companies Code or the Company's Articles of Association (Par. 3.2 of the Rules of Procedure for the Management Board).

As a special authorisation, the Management Board has the right to increase the share capital within the limit of the authorised capital (Par. 5.3 –Par.5.7 of the Articles of Association: for more detailed information, see Section 22.4 of this Prospectus).

Supervisory Board

Under Par. 11.1 of the Company's Articles of Association, the Supervisory Board is composed of five members appointed and removed by the General Shareholders' Meeting, subject to Par. 11.3 and Par. 11.4.

Two members of the Supervisory Board are appointed and removed by Mr Jacek Lewandowski as long as Mr Lewandowski holds – directly or indirectly through one or more controlled entities – shares conferring the right to exercise at least 25% of the total vote at the General Shareholders' Meeting. If Mr Jacek Lewandowski holds – directly or indirectly through one or more controlled entities – shares conferring the right to exercise less than 25% but more than 5% of the total vote at the General Shareholders' Meeting – he is entitled to appoint and remove one member of the Supervisory Board.

Manchester Securities Corp. has the right to appoint and remove two members of the Supervisory Board; however, this right will expire upon the introduction of the Company shares to trading on the Warsaw Stock Exchange. Following the expiry of this right, the General Shareholders' Meeting may appoint two independent members of the Supervisory Board. The right to propose candidates for the positions of independent

members of the Supervisory Board rests with the shareholders present at the General Shareholders' Meeting whose agenda includes the election of independent members of the Supervisory Board.

Members of the Supervisory Board are appointed for a joint term of office of three years (Par. 11.5 of the Articles of Association). The Supervisory Board elects the Chairman and Deputy Chairman of the Supervisory Board from among its members.

The Supervisory Board acts in accordance with the Rules of Procedure adopted by the General Shareholders' Meeting (Par. 12 of the Articles of Association).

The Supervisory Board exercises ongoing supervision over the Company's activities (par. 16.1 of the Articles of Association).

Meetings of the Supervisory Board are convened by the Chairman of the Supervisory Board, or by the Deputy Chairman of the Supervisory Board, on his or her own initiative or at a written request of a Supervisory Board member or the Management Board (par. 4 of the Rules of Procedure for the Supervisory Board). In principle, a meeting of the Supervisory Board should be convened at least 14 days in advance (in justified cases, the notice period can be shortened to seven days) (Par. 5.3 of the Rules of Procedure for the Supervisory Board). If the Management Board or a Supervisory Board member request that a Supervisory Board meeting be convened, the Chairman of the Supervisory Board should convene the meeting within two weeks of the receipt of such a request. (Par. 13.2 of the Articles of Association and Par. 4.2 of the Rules of Procedure for the Supervisory Board).

Meetings of the Supervisory Board should be held on an as-needed basis, but in any case not less frequently than three times in a financial year.

The Supervisory Board may adopt resolutions if at least half of its members are present at the meeting and all the members have been invited to the meeting (Par. 14.1 of the Articles of Association and Par. 5.7 of the Rules of Procedure for the Supervisory Board). Resolutions concerning any matters which are not included in the agenda may not be adopted unless all of the Supervisory Board Members are present at the meeting and none of them voices an objection (Par. 5.5 of the Rules of Procedure for the Supervisory Board).

Both the Articles of Association and the Rules of Procedure for the Supervisory Board provide for the Supervisory Board's right to adopt resolutions in writing or using means of remote communication. Resolutions adopted using means of remote communication are valid provided that all the Supervisory Board members have been notified of the content of a draft resolution and provided further that the relevant minutes have been signed by each Supervisory Board member participating in the vote. The Supervisory Board may not use this means of adopting resolutions in the case of matters with respect to which adoption of resolutions in the above manner is prohibited by the Commercial Companies Code, in particular resolutions on appointment and removal of the Management Board members or suspension of a Management Board member.

Meetings of the Supervisory Board are held at the Company's registered office or at another address specified in the notice convening the meeting (Par. 5.1 of the Rules of Procedure for the Supervisory Board). The Supervisory Board adopts resolutions by a simple majority of votes. In the event of a voting tie, the Chairman of the Supervisory Board has the casting vote (Par. 15.1 and Par. 15.2 of the Articles of Association). Supervisory Board resolutions on matters referred to in Par. 16.3.g) and Par. 16.3.m) are valid only if at least one independent member of the Supervisory Board has also voted in favour of their adoption (Par. 15.4 of the Articles of Association). Supervisory Board resolutions on removal of a Management Board member require at least four (4) members of the Supervisory Board to vote. In the event of a voting tie, the Chairman of the Supervisory Board has the casting vote (Par. 15.3 of the Articles of Association).

The proceedings of each Supervisory Board meeting are recorded in minutes. Resolutions of the Supervisory Board are signed by the Chairman or, in his or her absence, by the Deputy Chairman of the Supervisory Board.

In addition to the matters specified in the Commercial Companies Code, the powers of the Supervisory Board include:

- a) appointment and removal of the Management Board members, including the President of the Management Board,
- b) establishing the rules for remunerating the Management Board members and other related terms and conditions,
- c) adoption of the Rules of Procedure for the Management Board,
- d) selection of an auditor to audit the Company's financial statements,
- e) approval of annual budgets and development plans for the Company and its Group,
- f) adoption of resolutions on matters referred to in Par. 5.4 and Par. 5.6 of the Articles of Association,
- g) granting approval for the assumption of an obligation or incurring of an expenditure by the Company, whether in a single transaction or a series of related transactions, which is not provided for in the Company's budget and falls outside the Company's ordinary course of business, where the value of the obligation or expenditure exceeds PLN 3,000,000, with the exception of obligations assumed in connection with the settlement of the Company's liabilities towards Krajowy Depozyt Papierów Wartościowych S.A. (the Polish National Depository for Securities) relating to the Company's brokerage activities.
- h) granting approval for the Company to acquire, sell or liquidate shares in other companies, if such acquisition, sale or liquidation is beyond the Company's ordinary course of business,
- i) granting approval to acquire, sell or encumber any of the Company's real estate or interest in real estate, or perpetual usufruct right to any of the Company's real estate or interest in such right,
- j) granting approval for the execution of an agreement between: (i) the Company and members of its Management Board, (ii) the Company and a shareholder of the Company representing over 10% of shares in the Company's share capital, or between the Company and

shareholders of the Company representing jointly over 10% of shares in the Company's share capital, (iii) the Company and its Related Entities other than those specified in points i-ii above, with the exception of the Company's Subsidiaries, if the aggregate value of such agreement (or agreements) during 12 consecutive months exceeds the equivalent of EUR 100,000, except where such agreements are executed in the Company's ordinary course of business,

- k) in the event that these Articles of Association are amended – preparing a consolidated text of these Articles of Association or appropriate rewording of the text,
- l) other matters provided for in the applicable laws and regulations or in these Articles of Association, or submitted to the Supervisory Board by the Company's Management Board.

The Supervisory Board performs its duties collectively; however, it may delegate certain supervisory duties to its individual members (Par. 16.2 of the Articles of Association).

23.3 Description of the Rights, Preferences and Restrictions Attaching to Each Class of the Existing Shares

All of the Company shares are ordinary registered shares, but they will become ordinary bearer shares upon their conversion into book-entry form and registration by the Polish NDS. For a description of the rights and preferences attaching to the Shares, see the Company's Articles of Association and the Commercial Companies Code. Upon registration by the Polish NDS and conversion into book-entry form, the Company Shares will become ordinary bearer shares.

There are no special rights, preferences or restrictions attaching to the Shares other than the rights, preferences and restrictions provided for in the Commercial Companies Code.

Voting Right

Pursuant to Art. 411.1 of the Commercial Companies Code, one Share confers the right to one vote at the General Shareholders' Meeting. Shareholders acquire the voting right as soon as they have paid for the Shares in full.

Participation in General Shareholders' Meetings

Shareholders have the right to attend the General Shareholders' Meetings and exercise voting rights personally or through proxies, with the proviso that a Management Board member and the Company's employees may not act as proxies or representatives of the shareholders at the General Shareholders' Meetings. A shareholder who wishes to participate in a General Shareholders' Meeting through a proxy must issue to the proxy a written power of proxy under pain of nullity.

At the request of a holder of a securities account, the entity keeping the account ("the certificate issuer") issues a written deposit certificate in the name of the holder. In particular, the certificate confirms the holders' entitlement to attend a General Shareholders' Meeting. In order to participate in a General Shareholders' Meeting, a certificate issued to confirm the right of a holder of Shares to participate at the General Shareholders' Meeting must be submitted at the Company's registered office not later than a week prior to the date of the General Shareholders' Meeting. As soon as a deposit certificate is issued, the number of Shares specified in the certificate may not be traded until the certificate's validity period expires or the certificate is returned to the certificate issuer before the expiry (such validity period usually encompasses the duration of the General Shareholders' Meeting). The certificate issuer blocks a relevant number of the Shares in the account for as long as the deposit certificate is valid.

Convening of the General Shareholders' Meetings

The General Shareholders' Meetings may be convened as either ordinary (annual) or extraordinary. A General Shareholders' Meeting is convened by the Management Board. The Annual General Shareholders' Meeting should be convened no later than within six months from the end of each financial year. If the Management Board fails to convene the Annual General Shareholders' Meeting by the above deadline, the Company's Supervisory Board has the right to convene the Meeting. Additionally, the Supervisory Board has the right to convene an Extraordinary General Shareholders' Meeting if it finds it advisable and the Meeting is not convened by the Management Board within two weeks from the submission of a relevant request by the Supervisory Board. A Shareholder or Shareholders holding one tenth or more of the Company's share capital also have the right to convene an Extraordinary General Shareholders' Meeting. If the Meeting is not convened by the Management Board within two weeks from the submission of a relevant request, such Shareholder or Shareholders may refer the matter to the Registry Court which may authorise them to convene an Extraordinary Shareholders' Meeting and at the same time appoint a Chairperson of the Meeting.

A General Shareholders' Meeting is convened by way of a notice published in *Monitor Sądowy i Gospodarczy* at least three weeks prior to the proposed date of the Meeting. The notice convening the Meeting should specify the date, time and venue for the Meeting, as well as its detailed agenda. If an amendment to the Articles of Association is planned to be introduced, the notice should contain the hitherto binding wording of the Articles of Association and the wording of such amendments. If it is justified by the significant scope of the planned amendments, the notice may contain the draft consolidated text of the amended Articles of Association, along with a specification of the new or amended provisions.

Pursuant to the Regulation on Current and Periodic Information, once the Shares are introduced to trading on the Warsaw Stock Exchange, the Company will be obliged to publish, in a current report, the date, time, venue and detailed agenda of the General Shareholders' Meeting, as well as the date and time by which the deposit certificates issued in the name of the holders should be submitted and the place where they should be

submitted. If an amendment to the Articles of Association is planned to be introduced, the notice should contain the hitherto binding wording of the Articles of Association and the wording of such amendments. If it is justified by the significant scope of the intended amendments, the notice may contain the draft consolidated text of the amended Articles of Association, along with a specification of new or amended provisions.

The announcement published in a current report should also contain the draft resolutions together with any appendices thereto which are to be discussed during the General Shareholders' Meeting and which are important from the point of view of the resolutions to be adopted.

Powers of the General Shareholders' Meeting

Pursuant to the Commercial Companies Code, Shareholders at the Extraordinary General Shareholders' Meeting may adopt resolutions of any type save for those which require to be adopted at the Annual General Shareholders' Meeting.

Pursuant to the Commercial Companies Code, the agenda of the Annual General Shareholders' Meeting comprises: (i) review and approval of the financial statements for the previous financial year and the Directors' Report on the Company's Operations; (ii) adoption of a resolution on the distribution of profit or coverage of loss, and (iii) adoption of a resolution on granting discharge to the members of the Management and Supervisory Boards in respect of their duties.

As a rule, resolutions of the General Shareholders' Meetings are adopted by an absolute majority of votes, unless the provisions of the Commercial Companies Code or the Articles of Association set more stringent requirements.

Pursuant to the Commercial Companies Code and the Articles of Association, the matters which require a resolution of the General Shareholders' Meeting include:

- a) issue of convertible bonds, bonds with pre-emptive rights, and subscription warrants, amendments to the Articles of Association, retirement of the Company shares, reduction of the Company's share capital, disposal of a business or its organised part, and dissolution of the Company (the resolution requires a majority of three quarters of votes);
- b) appointment, removal or suspension of the Supervisory Board members, with the exception of the Supervisory Board members appointed and removed from office under Par. 11.3–11.4 of the Articles of Association;
- c) significant change of the Company's business profile (requires a majority of two-thirds of votes);
- d) merger with other companies, which requires a majority of three quarters of votes representing at least half of the share capital;
- e) merger of public companies requires a resolution of the General Shareholders' Meeting adopted by a majority of two thirds of votes;
- f) division of the Company requires a resolution of the General Shareholders' Meeting adopted by a majority of three quarters of votes representing at least half of the share capital;
- g) division of a public company requires a resolution of the General Shareholders' Meeting adopted by a majority of two-thirds of votes;
- h) adjournment of the General Shareholders' Meeting (requires a majority of two-thirds of votes);
- i) amendments to the Articles of Association which would result either in increasing the shareholders' obligations or limiting any rights given to individual shareholders (pursuant to Art. 354 of the Commercial Companies Code the approval of all shareholders concerned is required);
- j) conclusion of a credit, loan, or surety or similar agreement between the Company and a Management Board member, Supervisory Board member, proxy, liquidator, or for the benefit of any such person, requires approval by of the General Shareholders' Meeting.

In addition, the General Shareholders' Meeting adopts resolutions on the following matters:

- a) decisions concerning claims for repair of a damage inflicted in connection with the establishment of the Company or when exercising supervision or management;
- b) disposal or lease of the Company's business or its organised part, and creation of limited property rights to a business or its organised part;
- c) acquisition of own shares under Art. 362.1.2 of the Commercial Companies Code and authorisation to such acquisition under Art. 362.1.8 of the Commercial Companies Code;
- d) adoption of the Rules of Procedure for the Supervisory Board;
- e) determination of the remuneration for the Supervisory Board members;
- f) adoption of the Rules of Procedure for the General Shareholders' Meeting;
- g) creation and release of the Company's reserve capitals and funds;
- h) setting the dividend record date and the dividend payment date;
- i) establishing rules for remunerating the members of the Supervisory Board;
- j) other matters provided for in applicable regulations or the Articles of Association, or submitted by the Supervisory Board or the Management Board.

Right to dispose of shares

Subject to Art. 337.1 of the Commercial Companies Code, the Shareholders have the right to dispose of the Shares without any restrictions.

Retirement of Shares

Pursuant to Art. 359.2 of the Commercial Companies Code, the general shareholders' meeting is entitled to adopt resolutions on retirement of shares. According to the Articles of Association, such a resolution requires the majority of three quarters of votes. If at least half of the share capital is represented at the General Shareholders' Meeting, a resolution on the retirement of the Company shares may be adopted with a simple majority of votes.

In addition, under the Articles of Association, the retirement of shares requires a written consent of the shareholder whose shares are to be retired. In exchange for the retired shares, a shareholder will receive an amount calculated on the basis of the Company's balance sheet prepared for the previous financial year, unless the retirement is made – with the consent of the shareholder whose shares are to be retired – in exchange for an amount lower than specified above or without any consideration to the shareholder.

Conversion of Shares

Pursuant to the Commercial Companies Code, shares may be registered or bearer shares. Save as otherwise provided in the Commercial Companies Code or in the articles of association, at the request of the shareholder registered shares may be converted into bearer shares, or *vice versa*. The Company's Articles of Association do not contain any provisions which would prohibit the conversion of bearer shares into registered shares, or vice versa.

Other Shareholder Rights

In addition, the Shareholders have the following rights:

- a) The right to request that an Extraordinary General Shareholders' Meeting be convened and the right to request that certain items be placed on the agenda for the next General Shareholders' Meeting.

A Shareholder or Shareholders representing at least one-tenth of the Company's share capital have the right to request that an Extraordinary General Shareholders' Meeting be convened and that certain items be placed on the agenda for the next General Shareholders' Meeting. Pursuant to Art. 400 of the Commercial Companies Code, such a request should be submitted to the Management Board in writing, no later than a month before the proposed date of the General Shareholders' Meeting.

- b) The right to acquire new Shares *pro rata* to the number of Shares already held (pre-emptive right).

Pursuant to Art. 433 of the Commercial Companies Code, Shareholders have the pre-emptive right to acquire new Shares *pro rata* to the number of Shares already held. The pre-emptive right also applies to the issue of securities which are convertible into Shares or incorporate the right to subscribe for Shares. Acting in the Company's best interest, the General Shareholders' Meeting may waive the pre-emptive right to the Shares in whole or in part. A relevant resolution of the General Shareholders' Meeting requires the majority of at least four-fifths of votes. The pre-emptive right may be waived if this matter was placed on the agenda of the General Shareholders' Meeting. The Management Board provides the General Shareholders' Meeting with a written opinion stating the grounds for the waiver of the pre-emptive right and proposing the issue price of the Shares or the manner of determining that price.

- c) The right to request that the Supervisory Board be elected in block voting.

Pursuant to Art. 385.3 of the Commercial Companies Code, at the request of the Shareholders representing at least one-fifth of the share capital, the Supervisory Board members should be appointed at the next General Shareholders' Meeting through block voting even if the Company's Articles of Association provide for a different manner of appointing the Supervisory Board.

- d) The right to request information concerning the Company.

Pursuant to Art. 428 of the Commercial Companies Code, during the General Shareholders' Meeting the Management Board is obliged to furnish a Shareholder, at his request, with information concerning the Company if such information is needed to assess a matter placed on the agenda. However, the Management Board should refuse to furnish such information if (i) this might cause damage to the Company, its related company, a subsidiary company or subsidiary cooperative, in particular as a result of disclosure of technical, commercial or organizational secrets of the enterprise, or (ii) a Management Board member would thus be exposed to criminal, civil, or administrative liability.

In justified cases, the Management Board may also furnish the information in writing, not later than within two weeks from the date of closing the General Shareholders' Meeting.

Notwithstanding the foregoing, the Management Board may also furnish the Shareholder with information on the Company outside the General Shareholders' Meeting, but the information should be subsequently disclosed by the Management Board in writing, in the materials submitted to the next General Shareholders' Meeting. A Shareholder who was refused requested information during the General Shareholders' Meeting and whose objection was recorded in the minutes may apply to the Registry Court for obliging the Management Board to furnish such information. The application should be filed within one week from the date of closing the General Shareholders' Meeting at which the information was refused. The Shareholder may also apply to the Registry Court for obliging the Company to publish any information furnished to another Shareholder outside the General Shareholders' Meeting.

- e) The right to bring an action for revoking or invalidating a General Shareholders' Meeting resolution

Pursuant to Art. 422 of the Commercial Companies Code, a General Shareholders' Meeting resolution which is in conflict with the Articles of Association or good practice and prejudicial to the Company's interest or intended to wrong a Shareholder, may be appealed by an action for revoking the resolution, brought against the Company. The action must be brought within one month from a Shareholder having become aware of the resolution, however not later than three months from its adoption date.

Pursuant to Art. 425 of the Commercial Companies Code, a General Shareholders' Meeting resolution may also be appealed against by an action, brought against the Company, seeking to have an unlawful resolution of a General Shareholders' Meeting pronounced invalid. The right to bring an action expires six months after the date on which the person entitled to bring such an action became aware of the resolution, however not later than on the lapse of two years from its adoption date. The action for pronouncing a resolution of a general shareholders' meeting of a public company as invalid should be brought to court within thirty days from the date of publishing the resolution, however not later than within one year from its adoption date. The lapse of the above time limits does not preclude challenging the resolution on the grounds of invalidity.

The persons who have the right to bring an action for revoking a General Shareholders' Meeting resolution or declaring it invalid include: (i) a Shareholder who voted against adopting the resolution and after its adoption requested that his objection be recorded in the minutes (the voting requirement does not apply to a Shareholder holding non-voting Shares), (ii) a Shareholder who was unreasonably prevented from participating in the General Shareholders' Meeting, and (iii) a Shareholder who was absent from the General Shareholders' Meeting – only if the General Shareholders' Meeting was improperly convened or the resolution was adopted on a matter not placed on the agenda.

f) The right to profit distributions

Pursuant to Art. 347.2 of the Commercial Companies Code, a Shareholder has the right to a distribution from the profit disclosed in the audited financial statements and assigned by the General Shareholders Meeting for payment of dividend to Shareholders. The profit is distributed *pro rata* to the number of Shares held, and if the Shares are not fully paid up, the profit is distributed *pro rata* to payments made towards the Shares. For a description of the dividend policy see Section 5 of this Prospectus, and for information on rules governing taxation of dividend income see Section 26.9 of this Prospectus.

g) The right to a share in the Company's assets in the event of the Company's liquidation

Pursuant to Art. 474 of the Commercial Companies Code, the assets which remain after satisfying or securing the claims of the Company's creditors are divided among the Shareholders *pro rata* to each Shareholder's contributions to the share capital, with the proviso that the division may not be effected prior to the lapse of one year from the date of the last announcement on opening liquidation and summoning creditors.

h) The right to request the appointment of a special-purpose auditor

At the request of a shareholder or shareholders in a public company holding at least 5% of the total vote, a general shareholders' meeting may resolve to mandate an expert to review, at the company's expense, a specific issue related to the company's incorporation or the conduct of its business (special-purpose auditor). To this end, the shareholder(s) may request that an extraordinary general shareholders' meeting be convened or the adoption of such a resolution be placed on the agenda of the next general shareholders' meeting.

The resolution of the general shareholders' meeting concerning the appointment of a special-purpose auditor should define in particular: (i) identity of the special-purpose auditor agreed upon in writing by the share-holder(s) requesting its appointment; (ii) subject and scope of the review, compliant with the request submitted by the shareholder(s), unless the shareholder(s) agreed in writing to their change; (iii) types of documents which the company should provide to the auditor; (iv) date for commencement of the review, set not later than three months from the resolution date.

Prior to the adoption of the resolution, the management board of the public company presents a written opinion on the submitted request to the general shareholders' meeting. The resolution of the general shareholders' meeting concerning the appointment of a special-purpose auditor should be adopted at a general shareholders' meeting whose agenda includes consideration of the relevant request.

23.4 Actions Necessary to Change Shareholder Rights

A vast majority of the Shareholders' rights specified above may not be effectively restricted or waived. This is because the provisions of the Commercial Companies Code under which the shareholders are granted such rights are either absolutely binding or semi-imperative (which means that the Articles of Association may only expand the rights of the Shareholders and may not waive or restrict the rights granted to them under the Commercial Companies Code). This concerns, *inter alia*, the right to request that a General Shareholders' Meeting be convened, the right to request that the Supervisory Board be elected in block voting, the right to appeal against resolutions, the right to be provided information at the General Shareholders' Meeting.

As for the rights which according to the Commercial Companies Code may be restricted or waived, the key right is the pre-emptive right. Pursuant to Art. 433.2 of the Commercial Companies Code, the General Shareholders' Meeting acting in the best interest of the Company may waive the pre-emptive right to Shares in whole or in part. A relevant resolution of the General Shareholders Meeting requires the majority of four-fifths of votes. The pre-emptive right may be waived if such a matter was placed on the agenda of the General Shareholders' Meeting. In such a case, the Management Board is obligated to provide the General Shareholders' Meeting with a written opinion stating the grounds for the waiver of the pre-emptive right and proposing the issue price for the Shares or the manner of determining that price. In addition, as the Management Board is authorised to increase the share capital within the limits of the authorised capital, the pre-emptive right may be limited or waived by the Management Board subject to prior approval by the Supervisory Board, provided that at least one independent member of the Supervisory Board also votes in favour of such a resolution.

Certain rights may be changed or restricted by amending the Articles of Association. A resolution on amending the Articles of Association requires the majority of three quarters of votes. In addition, pursuant to Art. 415.3 of the Commercial Companies Code, a resolution on amending the Articles of Association which would result either in increasing shareholders' obligations or limiting any rights given to individual shareholders, requires the consent of all the shareholders concerned.

23.5 Rules Governing the Convening of the Annual General Shareholders' Meetings and Extraordinary General Shareholders' Meetings

The General Shareholders' Meetings may be convened as either ordinary (annual) or extraordinary. A General Shareholders' Meeting is convened by the Management Board. The Annual General Shareholders' Meeting should be convened no later than within six months from the end of each financial year. If the Management Board fails to convene the Annual General Shareholders' Meeting by the above deadline, the Company's Supervisory Board has the right to convene the Meeting. Additionally, the Supervisory Board has the right to convene an Extraordinary General Shareholders' Meeting if it finds it advisable and the Meeting has not been convened by the Management Board within two weeks from the submission of the relevant request by the Supervisory Board. A Shareholder or Shareholders holding one-tenth or more of the Company's share capital also have the right to convene an Extraordinary General Shareholders' Meeting. If the Meeting is not convened by the Management Board within two weeks from the submission of a relevant request, such Shareholder or Shareholders may refer the matter to the Registry Court which may authorise them to convene an Extraordinary Shareholders' Meeting and at the same time appoint a Chairperson of the Meeting.

A General Shareholders' Meeting is convened by way of a notice published in *Monitor Sądowy i Gospodarczy* at least three weeks prior to the proposed date of the Meeting. The notice convening the Meeting should specify the date, time and venue for the Meeting, as well as its detailed agenda. If an amendment to the Articles of Association is planned to be introduced, the notice should contain the hitherto binding wording of the Articles of Association and the wording of such amendments. If it is justified by the significant scope of the planned amendments, the notice may contain a draft consolidated text of the amended Articles of Association, along with a specification of new or amended provisions.

Pursuant to the Regulation on Current and Periodic Information, once the Shares are introduced to trading on the Warsaw Stock Exchange, the Company will be obliged to publish, in a current report, the date, time, venue and detailed agenda of the General Shareholders' Meeting, as well as the date and time by which the deposit certificates issued in the name of the holders should be submitted and the place where they should be submitted. If an amendment to the Articles of Association is planned to be introduced, the notice should contain the hitherto binding wording of the articles of association and the wording of such amendments. If it is justified by the significant scope of the intended amendments, the notice may contain a draft consolidated text of the amended Articles of Association, along with a specification of new or amended provisions.

The announcement published in a current report should also contain draft resolutions together with any appendices thereto which are to be discussed during the general shareholders' meeting and which are important from the point of view of the resolutions to be adopted.

23.6 Description of Any Provision of the Company's Articles of Association, Statutes, Charter or Bylaws that Would Have an Effect of Delaying, Deferring or Preventing a Change in Control of the Company

The Company's Articles of Association do not contain any provisions that would have an effect of delaying, deferring or preventing a change in control of the Company.

However, in the Investment Agreement of July 12th 2006 executed between the Company, Dom Inwestycyjny IPOPEMA S.A. (currently JL S.A.), Manchester Securities Corp. and Jacek Lewandowski, Dom Inwestycyjny IPOPEMA S.A. (currently JL S.A.) undertook not to dispose in any way of the Shares it holds in the Company without the approval of Manchester Securities Corp. This obligation does not apply to a disposal of the Company Shares to key employees of the Company or other persons specified in Appendix 1 to the abovementioned agreement. In addition, Jacek Lewandowski, who as at the date of the Investment Agreement held 45.50% of Shares in the Company, undertook that the number of the Company Shares held or to be held by him, directly or indirectly, will be equal to or higher than the number of shares representing 25% of the total number of the Company Shares. This obligation is subject to expiry after six years from the date of Share Capital Increase II (i.e. from December 19th 2006) or on the date of the first listing of the Company Shares on the Warsaw Stock Exchange, whichever of the two obligations occurs earlier. Irrespective of the above, it needs to be noted that in the agreement Jacek Lewandowski undertook not to dispose in any way of the Company Shares held by him, without the approval of Manchester Securities Corp.

23.7 Memorandum and Articles of Association, Charter or Bylaw Provisions Governing the Ownership Threshold above which Shareholder Ownership Must Be Disclosed

The Company's Articles of Association, Charter or Bylaws do not contain any provisions that would obligate a shareholder to disclose their share ownership.

23.8 Description of the Rules and Conditions Imposed by the Memorandum and Articles of Association, Charter or Bylaw, Which Govern Changes in the Capital, Where Such Rules and Conditions Are More Stringent Than Is Required By Law

With the exception of the provisions of the Company's Articles of Association concerning share capital increase within the limit of authorised capital, described in Section 22.4 of this Prospectus, the Company's Articles of Association do not contain any provisions governing matters related to share capital increase other than the applicable provisions of the Commercial Companies Code.

24. INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFERING

This Prospectus does not form a basis for an issue or a public offering of the Company Shares.

Introduction of the Shares to trading on the WSE is in the interest of Manchester Securities Corp., which by way of a private placement will offer to sell a part of the Shares it holds in the Company, which is connected with their introduction to stock-exchange trading. Furthermore, despite the planned sale of the Shares it is assumed that Manchester Securities Corp. will continue to hold a material interest in the Company and therefore it is also in Manchester Securities Corp.'s interest to achieve a high price of the Shares on the WSE.

Introduction of the Shares to stock-exchange trading and achievement of a high price for them is also in the interest of the Management Board members, i.e. Jacek Lewandowski, Stanisław Waczkowski, Mirosław Borys and Mariusz Piskorski, as well as a Supervisory Board member, Bogdan Kryca, all of whom hold, directly or indirectly, material interests in the Company's share capital (see Section 19.1 of this Prospectus).

Introduction of the Shares to stock-exchange trading is also in the interest of IPOPEMA Securities, which in addition to the potential benefits described in Section 25 of this Prospectus acts as the Offeror and an intermediary in the sale of the Shares by Manchester Securities Corp. by way of private placement (which is connected with the introduction of the Company Shares to trading on the WSE). On account of these functions it will receive a commission fee whose amount depends on the value of the Shares sold.

Apart from the persons described above, the following are involved on the process of introduction of the Company Shares to trading on the WSE:

- Allen & Overy, A. Pędzich Spółka Komandytowa of Warsaw – as the Company's legal advisor participating in the preparation of this Prospectus, and
- BDO Numerica International Auditors & Consultants Sp. z o.o. of Warsaw – as the auditor issuing opinions on financial information, prepared also for the purposes of this Prospectus, and as an entity cooperating with the Company in matters related to financial reporting, in connection with the introduction of shares to stock-exchange trading.

The above entities do not have any economic interest which would depend on the success of the introduction of the Company Shares to trading on the Warsaw Stock Exchange.

25. OBJECTIVES OF THE OFFERING

This Prospectus does not form a basis for a public offering of the Company Shares. It has been prepared in connection with the admission and introduction of 7,000,000 Series A shares and 21,571,410 Series B shares to trading on the Warsaw Stock Exchange.

26. INFORMATION CONCERNING THE SECURITIES OF THE COMPANY

26.1 Description of the Type and Class of the Securities Admitted to Trading

Under this Prospectus, a total of 28,571,410 of all Company Shares outstanding and existing as at the date of approval of this Prospectus, including 7,000,000 Series A shares and 21,571,410 Series B shares, are introduced to trading on a regulated market on the WSE. The par value of the Shares is PLN 0.10 per share.

The Company was established on March 2nd 2005 under the name of Dom Maklerski IPOPEMA S.A. by Dom Inwestycyjny IPOPEMA S.A., represented by Jacek Lewandowski, who granted his approval for the establishment of the Company and the provisions of its Articles of Association.

The Company's share capital was divided into 700,000 Series A registered shares with a par value of PLN 1 per share. The Deed of Incorporation was recorded in the form of a Notarial Deed by Janusz Rudnicki, Notary Public of Warsaw (Rep. A No. 2640/2005). The Company was registered on March 22nd 2005.

On August 10th 2006, the Extraordinary General Shareholders Meeting unanimously adopted Resolutions No. 2 and No. 4, under which the share capital was increased through the issue of 174,780 Series B registered shares and 1,982,361 Series C registered shares. The above resolutions were recorded in the form of a Notarial Deed by Marzena Dmochowska, Notary Public of Warsaw (Rep. A No. 3159/2006). The increase of the Company's share capital through the issue of Series B shares was registered on September 12th 2006, while the increase through the issue of Series C shares issue – on December 18th 2006.

On January 12th 2007, the Company's Extraordinary General Shareholders Meeting adopted Resolution No. 1 to abolish the preferred status of Series A, B and C shares in the Company. Under the resolution, the preference as to the voting rights and dividend payment, attached to the Series A, B and C shares, was abolished. Consequently, Series A, B and C shares became ordinary registered shares

On December 5th 2007, the Company's Extraordinary General Shareholders Meeting adopted Resolution No. 1 concerning amendments to the Company's Articles of Association and approval of the consolidated text of the Articles of Association. Under the resolution, the series of the then existing shares were changed, as was the par value per share. Series B and C ordinary registered shares became Series B ordinary registered shares. The par value per share, equal to PLN 1, was decreased by the ratio of 1:10, to PLN 0.10 per share. In exchange for each of then existing Series A ordinary registered share, shareholders received 10 Series A ordinary registered shares. In exchange for each of then existing Series B and C shares, shareholders received 10 Series B ordinary registered shares. After the transaction, the Company's share capital amounted to PLN 2,857,141 and was divided into 28,571,410 shares with a par value of PLN 0.10 per share, including 7,000,000 Series A ordinary registered shares and 21,571,410 Series B ordinary registered shares

On December 5th 2007, the Extraordinary General Shareholders Meeting also adopted Resolution No. 3 concerning a conditional share capital increase in connection with the implementation of the Incentive Scheme for the key employees of the Company and its subsidiary IPOPEMA TFI, as well as other persons of key importance for the execution of the IPOPEMA Group's strategy, and amending the Company's Articles of Association. Under the resolution, the Extraordinary General Shareholders Meeting resolved to conditionally increase the Company's share capital by up to PLN 485,714, through the issue of no more than 4,857,140 Series C ordinary bearer shares with a par value of PLN 0.10 per share, to be offered to the holders of subscription warrants issued by the Company pursuant to Resolution No. 4 of the Extraordinary General Shareholders Meeting of December 5th 2007, concerning an issue of subscription warrants. Resolution No. 3 and Resolution No. 4 of December 5th 2007 were amended by the Company's Extraordinary General Shareholders Meeting on March 20th 2009 (for information on the amendments see Sections 19.2, 22.3 and 23.6 of this Prospectus).

26.2 Legislation Under Which the Securities Have Been Created

Series A, B and C shares have been created pursuant to the provisions of the Commercial Companies Code.

26.3 Class and Form of the Shares

Under Par. 3.2 of the Company's Articles of Association approved by the Extraordinary General Shareholders Meeting on December 5th 2007, Series A and B shares are ordinary registered shares, subject to becoming ordinary bearer shares upon their conversion into book-entry form and registration by the Polish NDS.

26.4 Currency of the Securities Issue

The Shares are denominated in the zloty (PLN).

26.5 Description of the Rights Attached to the Securities, Including Any Limitations of Those Rights, and Procedure for the Exercise of Those Rights

For a description of the rights, including any limitations of those rights, see Sections 23.3 and 26.9 of this Prospectus.

26.6 Resolutions, Authorisations and Approvals by Virtue of Which New Securities Have Been or Will Be Created and/or Issued

On December 5th 2007, the Extraordinary General Shareholders Meeting of the Company adopted Resolution No. 3 (amended by Resolution No. 4 of the Extraordinary General Shareholders Meeting, dated March 20th 2009) concerning a conditional share capital increase in connection with the implementation of the Incentive Scheme for the key employees of the Company and its subsidiary IPOPEMA TFI, as well as other persons of key importance for the execution of the IPOPEMA Group's strategy, and furthermore, amending the Company's Articles of Association. By virtue of the resolution, the Extraordinary General Shareholders Meeting resolved to conditionally increase the Company's share capital by no more than PLN 485,714 (four hundred and eighty-five thousand, seven hundred and fourteen zloty) through the issue of up to 4,857,140 (four million, eight hundred and fifty-seven thousand, one hundred and forty) series C ordinary registered shares with a par value of PLN 0.10 (ten grosz) per share. Presented below is the full text of the resolution.

"Resolution No. 3 of the Extraordinary General Shareholders Meeting of IPOPEMA Securities S.A., dated December 5th 2007, concerning a conditional share capital increase in connection with the implementation of the Incentive Scheme for the key employees of the Company and its subsidiary IPOPEMA TFI, as well as other persons of key importance for the execution of the IPOPEMA Group's strategy, and amending the Company's Articles of Association (consolidated text of March 20th 2009)

Acting pursuant to Art. 448 of the Commercial Companies Code, the Extraordinary General Shareholders Meeting of IPOPEMA Securities S.A. ("the Company") hereby resolves as follows:

Par. 1

The share capital of the Company shall be conditionally increased by no more than PLN 485,714 (four hundred and eighty-five thousand, seven hundred and fourteen zloty) through the issue of up to 4,857,140 (four million, eight hundred and fifty-seven thousand, one hundred and forty) series C ordinary registered shares with a par value of PLN 0.10 (ten grosz) per share ("Series C shares").

Par. 2

The share capital of the Company shall be conditionally increased in order to grant holders of the subscription warrants issued under Resolution No. 4 of the Extraordinary General Shareholders Meeting, dated December 5th 2007, the right to acquire Series C shares on the terms and conditions set forth in this Resolution.

Par. 3

Holders of the subscription warrants issued under Resolution No. 4 of the Extraordinary General Shareholders Meeting, dated December 5th 2007, shall be the only persons entitled to acquire Series C shares.

Par. 4

Holders of subscription warrants shall be entitled to acquire a specific number of Series C shares on the dates and under the terms and conditions specified in accordance with the Rules of the Incentive Scheme, referred to in Resolution No. 2 of the General Shareholders Meeting of December 5th 2007 ("the Rules").

Par. 5

The Company shall apply for the admission and introduction of Series C shares to trading on the primary market of the Warsaw Stock Exchange at the time determined in accordance with the Rules.

Par. 6

The Extraordinary General Shareholders Meeting authorises the Management Board to set the issue prices for specific numbers of Series C shares allocated for acquisition by the holders of subscription warrants of particular tranches. The issue prices of Series C shares may vary.

Par. 7

Series C shares shall carry the right to participate in dividend distributions made by the Company in a given financial year provided that they are credited to the securities account no later than on the dividend record date.

Par. 8

The Supervisory Board of the Company is hereby authorised to take any steps required to allot Series C shares to the members of the Company's Management Board entitled to participate in the Incentive Scheme. Furthermore, the Management Board is hereby authorised to take any legal or practical steps required to allot Series C shares to holders of subscription warrants other than the Management Board members.

Par. 9

The existing shareholders' pre-emptive rights to acquire Series C shares shall be disappplied. The opinion issued by the Company's Management Board providing grounds for such disapplication and concerning the issue price, has been submitted to the General Shareholders Meeting of the Company and is presented below.

Par. 10

Holders of the subscription warrants may only exercise their right to acquire Series C shares as part of the conditional share capital increase by November 30th 2017.

Par. 11

The Company's Articles of Association are amended by adding Par. 5.7, which reads as follows:

"The Company's conditional share capital shall amount to no more than PLN 485,714 (four hundred and eighty-five thousand, seven hundred and fourteen zloty) and shall be divided into no more than 4,857,140 (four million, eight hundred and fifty-seven thousand, one hundred and forty) Series C ordinary registered shares with a par value of PLN 0.10 (ten grosz) per share, subject to Par. 3.2 hereof. The purpose of the conditional share capital increase shall be to grant the right to acquire Series C shares to holders of subscription warrants issued by the Company by virtue of a resolution adopted by the Extraordinary General Shareholders Meeting on December 5th 2007. The right to acquire Series C shares by the holders of subscription warrants may be exercised by November 30th 2017".

Opinion of the Company's Management Board concerning the disapplication of the existing shareholders' pre-emptive rights to acquire new shares and the issue price:

"This opinion has been prepared by the Company's Management Board under Art. 433.2 of the Commercial Companies Code.

In connection with the planned Extraordinary General Shareholders Meeting which is decide on a potential increase of the Company's share capital through the issue of new shares as part of the conditional share capital increase ("the New Issue Shares"), the Management Board of the Company hereby recommends to disapply the existing shareholders' pre-emptive rights to acquire New Issue Shares and authorise the Company's Management Board to set the issue price of New Issue Shares.

Grounds

The New Issue Shares will be issued as part of the conditional share capital increase in order to implement the incentive scheme recommended to the General Shareholders Meeting ("the Incentive Scheme"). Offering of the Company Shares as part of the Incentive Scheme represents the best means to encourage the Scheme participants to pursue their professional careers with the IPOPEMA Group. This is the key objective of the Scheme and certainly serves the best interest of the Company. The advantages of such an approach are particularly evident in the context of companies whose value is derived principally from competent and experienced staff, such as the members of the IPOPEMA Group.

In light of the foregoing, the Management Board of the Company considers it necessary to disapply the existing shareholders' pre-emptive rights to acquire New Issue Shares as otherwise the implementation of the Incentive Scheme in the planned form would not be possible. The right to acquire New Issue Shares would be granted to holders of subscription warrants (on a one-for-one basis) to be offered to the Incentive Scheme participants.

Taking into account the scope of the Incentive Scheme, which is to cover both existing and future employees – with respect to whom the detailed terms (including the dates) for acquiring New Issue Shares would differ – the Management Board proposes that the issue price of the New Issue Shares be determined in accordance with the terms and conditions specified in the rules of the Incentive Scheme adopted by the Management Board and approved by the Supervisory Board. This would help to optimise the issue price, i.e. make it most adequate in view of the terms for granting the right to participate in the Incentive Scheme to individual persons, and thus preserve its incentive nature."

The full text of the Extraordinary General Shareholder Meeting' resolution concerning the issue of subscription warrants is contained in Section 22.3 of this Prospectus.

26.7 Issue Date

Series A shares are founder shares. Series B shares were issued under Resolution No. 2 of the Company's Extraordinary General Shareholders Meeting, dated August 10th 2006, recorded in the form of a notarial deed by Notary Public Marzena Dmochowska (Rep. A No. 3159/2006). On the same day, the Company's Extraordinary General Shareholders Meeting adopted Resolution No. 4 on the issue of Series C shares, which was also recorded in the aforementioned notarial deed.

On December 5th 2007, following to the adoption by the Extraordinary General Shareholders Meeting of Resolution No. 1 concerning amendments to the Company's Articles of Association and approval of the consolidated text of the Articles of Association, the Series B and C shares referred to above became Series B ordinary registered shares.

26.8 Public Takeover Bids by Third Parties in Respect of the Company's Equity, Which Have Occurred During the Last Financial Year and the Current Financial Year

There have not been any public takeover bids by third parties in respect of the Company's equity.

26.9 Selected Polish Capital Market Regulations

The following description of Polish laws and regulations and the shareholder rights and obligations provided for thereunder is an outline of applicable legislation and should not be treated as an exhaustive list of shareholder rights and obligations under Polish law.

Rights and Obligations Attached to Shares Provided for in the Public Offering Act

Trading in shares in Poland is subject to regulations, including those set forth in the Public Offering Act and the secondary legislation. A general overview of those regulations is presented below in the body of this Section. The description also includes the most significant obligations attached to the ownership and acquisition of material blocks of shares in public companies, which are set out in the Public Offering Act. Investors are recommended to seek legal advice prior to acquiring material blocks of shares or executing an agreement with other shareholders on exercising voting rights conferred by the ownership of material blocks of shares.

Entities Subject to Regulations on Acquisition of Material Blocks of Shares

The obligations connected with the acquisition of material blocks of shares specified in the Public Offering Act apply to any entity which acquires or intends to acquire or dispose of shares in a public company, and to certain other entities specified in Art. 87 of the Public Offering Act. The obligations set out in the Public Offering Act arise also if the voting rights are attached to securities deposited or registered with an entity which may dispose of them at own discretion.

Method of Calculating the Percentage Share Ownership

Under the Public Offering Act, a calculation made to determine whether a block of shares held by a shareholder may be classified as material takes into account the voting rights to which a shareholder is entitled (i.e. the number of votes held in relation to the total number of votes at the general shareholders' meeting). The calculation does not take into account the percentage of share capital held in a public company. Next, voting shares of all classes are aggregated. To calculate the number of votes it is assumed that all shares confer full voting rights even if the exercise of voting rights thereunder is restricted or excluded under any agreement, the articles of association of a public company or applicable laws and regulations.

Obligation to Disclose Any Changes in the Public Company Share Ownership

Under the Public Offering Act, any entity who: 1) has achieved or exceeded 5%, 10%, 15%, 20%, 25%, 33%, 50%, 75% or 90% of the total vote in a public company, or 2) held at least 5%, 10%, 15%, 20%, 25%, 33%, 50% 75% or 90% of the total vote in a public company, and as a result of a reduction of its equity interest holds 5%, 10%, 15%, 20%, 25%, 33%, 50%, 75% or 90% or less of the total vote, respectively – is obliged to notify the PFSA and the company of the fact not later than four business days from the date on which the entity becomes, or by exercising due care could have become, aware of such change, and if the change resulted from the acquisition of shares in a public company in a transaction executed on a regulated market – not later than within six trading days from the date of the transaction.

The notification requirement applies also to a shareholder who: (a) held over 10% of the total vote and this share has changed by at least (i) 2% of the total vote – in the case of a public company whose shares have been admitted to trading on the official stock-exchange listing market, (ii) 5% of the total vote – in the case of a public company whose shares have been admitted to trading on a regulated market other than the official stock-exchange listing market, (b) held over 33% of the total vote and this share has changed by at least 1%.

The notification requirement also applies to any shareholder who reaches or exceeds a specified threshold of the total vote as a result of: (i) the occurrence of a legal event other than an act in law, (ii) acquisition or disposal of financial instruments conferring the unconditional right or obligation to acquire shares in a public company which are already in issue, and (iii) indirect acquisition of shares in a public company. Furthermore, the obligation arises also if the voting rights are attached to securities comprising collateral: unless the entity for the benefit of which the collateral is established has the right to exercise the voting rights and has declared its intention to do so, in which case the voting rights are deemed to be held by the entity for the benefit of which the collateral was established.

Such notification requirement does not apply if upon the settlement in the depository of securities of a few transactions executed on the regulated market on a single day, the change of a shareholder's share in the total vote in a public company as at the end of the settlement day does not result in reaching or exceeding any threshold which triggers the notification requirement. The Public Offering Act specifies the detailed scope of the information to be included in a notification sent to the PFSA and a public company, to which the notification requirement is applied.

Obligation to Acquire Shares by way of a Public Tender Offer for Sale or Exchange of Shares in a Public Company under the Public Offering Act

Tender pursuant to Art. 72 of the Public Offering Act:

According to the Public Offering Act, an acquisition of shares in a public company in a number resulting in increasing the aggregate number of votes by more than: (i) 10% of the total number of votes within less than 60 days by an entity whose share in the total number of votes was lower than 33%; (ii) 5% of the total number of votes within less than 12 months by an entity whose share in the total number of votes was lower than 33%, may only be effected by announcing a tender offer for the sale or exchange of such shares.

Tender pursuant to Art. 73 of the Public Offering Act:

Pursuant to Art. 73 of the Public Offering Act, as a general rule, a shareholder may exceed 33% of the total vote in a public company only as a result of a tender offer to sell or exchange shares in such company, concerning a number of shares which confers the right to at least 66% of the total vote, unless the 33% threshold is to be exceeded as a result of a tender offer for the sale or exchange of all remaining shares, in excess of 66% of the total number of votes.

If a shareholder exceeds the 33% threshold as a result of an indirect acquisition of shares, acquisition of new issue shares, acquisition of shares in a public offering, non-cash contribution to the company, merger or demerger of the company, introduction of amendments to the company's articles of association, expiry of preference rights attached to shares, or otherwise as a result of a legal event other than a legal transaction, the shareholder or entity which indirectly acquired the shares is obliged, within three months from exceeding the 33% threshold: (i) to announce a tender offer to sell or exchange the shares in the company, concerning a number of shares conferring the right to at least 66% of the total vote; or (ii) to dispose of such a number of shares as to hold shares conferring the right to no more than 33% of the total vote; unless within that period the share of such shareholder or the entity which indirectly acquired the shares in the total vote decreases below 33% as a result of a share capital increase, introduction of amendments to the company's articles of association, or expiry of preference rights attached to such shareholder's shares.

If a shareholder exceeds the 33% threshold as a result of inheritance, then the obligation referred to above applies only if following such an acquisition the shareholder's share in the total vote increases further. The time to perform the obligation commences on the day of the event leading to an increase in the shareholder's share in the total vote.

Tender pursuant to Art. 74 of the Public Offering Act

Pursuant to the Public Offering Act, as a general rule, a shareholder may exceed 66% of the total vote in a public company only as a result of a tender offer to sell or exchange the remaining shares in the company.

If the threshold of 66% of the total number of votes in a public company is exceeded as a result of indirect acquisition of shares, acquisition of new issue shares, acquisition of shares in a public offering, non-cash contribution to the company, merger or demerger of the company, introduction of amendments to the company's articles of association, expiry of preference rights attached to shares, or otherwise as a result of a legal event other than a legal transaction, the shareholder or the entity which indirectly acquired the shares is obliged, within three months from exceeding the 66% threshold to announce a tender offer to sell or exchange the remaining shares in the company unless within that period the share of such a shareholder or the entity which indirectly acquired the shares in the total vote decreases to 66% or less as a result of a share capital increase, amendments to the company's articles of association, or expiry of preference rights attached to such shareholder's shares.

If within six months from a tender offer for the sale or exchange of all remaining shares in a public company a shareholder acquires further shares in the company at a price higher than the price set in the tender offer other than by way of a tender offer or as a result of the exercise of the squeeze out obligation referred to in Art. 83 of the Public Offering Act, then the shareholder is obliged, within a month from such acquisition, to pay the difference in the share price to all persons that sold shares by accepting the tender offer, except for certain persons who accepted the tender offer and from whom shares constituting at least 5% of all shares in the public company were acquired at a reduced price, where the entity announcing the tender and such person decided to reduce the share price. This provision applies accordingly to an entity which indirectly acquired shares in a public company.

If a shareholder exceeds the 66% threshold as a result of inheritance, the obligation to announce a tender offer or to dispose of shares, as referred to above, applies only if following such acquisition the shareholder's share in the total vote increases further; the time for the performance of the obligation commences on the day of the event leading to an increase in the shareholder's share in the total vote.

Additional regulations regarding tender offers under Art. 72-74 of the Public Offering Act

A tender offer may be announced after security is created for not less than 100% of the value of the shares covered by the tender offer. The security should be documented with a certificate issued by a bank or another financial institution which granted, or intermediated in the granting of, the security. A tender offer should be announced and carried out through an entity conducting brokerage activities in Poland. The price in the tender offer must be determined in accordance with the rules set out in detail in Art. 79 of the Public Offering Act.

Upon receipt of the notification of the intention to announce a tender offer, the Polish Financial Supervision Authority may, not later than three business days before opening the subscription period, request that within a specified period of not less than two days the tender offer be amended or supplemented as necessary or that clarifications of its wording be provided. The opening of the subscription period under a tender

offer will be suspended until the entity obligated to announce the tender offer carries out the actions specified in the request referred to in the preceding sentence.

A tender offer may not be abandoned unless another entity announces a tender offer for the same shares after the first tender offer has been announced. A tender offer for the remaining shares in a given company may be abandoned only if another entity announces a tender offer for the remaining shares in the company at a price not lower than the price of the first tender offer.

In the period between the notification of the intention to announce a tender offer and the closing of the tender offer: (a) the entity obligated to announce the tender offer; (b) its subsidiaries; (c) its parent entity; or (d) parties to an agreement concluded with the entity obligated to announce the tender offer regarding the acquisition of a public company's shares by these entities or voting in concert at the general shareholders' meeting of that company on matters significant for that company:

- 1) may acquire shares in the company whose shares are covered by the tender offer only as part of the tender offer and in a manner defined therein;
- 2) may not – during the tender offer – dispose of shares in the company whose shares are covered by the tender offer or enter into any agreement under which they would be obligated to dispose of the shares;
- 3) may not indirectly acquire shares in a public company which the tender offer concerns.

After the tender offer is announced, the entity obligated to announce the tender offer and the management board of the company whose shares are covered by the tender offer should provide information on the tender offer, including the contents of the tender offer document, to the representatives of trade unions active at the company, and if there are no such trade unions, directly to employees.

If shares covered by the tender offer are admitted to trading on a regulated market in the Republic of Poland and in another member state, the entity announcing the tender offer is obliged to ensure quick and convenient access, in the territory of such member state, to all information and documents which are published in connection with the tender offer in a manner defined in the applicable laws and regulations of the member state.

Following the completion of the tender offer, the entity which announced the tender offer is obliged to disclose, in the manner provided for in Art. 69 of the Public Offering Act, the number of shares acquired in the tender offer and their percentage share in the total vote achieved as a result of the tender offer.

Additionally, Art. 75 of the Public Offering Act sets forth certain exemptions from the obligation arising under Arts. 72-74 thereof.

Squeeze-out regulations contained in the Public Offering Act

Pursuant to Art. 82 of the Public Offering Act, a shareholder in a public company that, on its own or together with its subsidiaries or parent companies or with companies with which it has entered into a verbal or written agreement on the purchase of shares or voting in concert on material issues at the general shareholders' meeting, reaches or exceeds 90% of the overall number of votes in such public company, such a shareholder may demand that the remaining shareholders sell all the shares held by them to such shareholder within three months from reaching or exceeding this threshold of votes. The squeeze-out price is determined in accordance with the applicable provisions of the Public Offering Act, concerning determination of the share price under a tender offer. The purchase of shares in a squeeze-out takes place without the consent of the shareholder to whom the demand to sell is addressed.

Sell-out regulations contained in the Public Offering Act

Pursuant to Art. 83 of the Public Offering Act, a shareholder in a public company may demand that another shareholder, who has reached or exceeded 90% of the total number of votes, purchase from it the shares it holds in such company. The demand is submitted in writing within three months from the day on which the shareholder reached or exceeded the specific threshold of the total vote at the general shareholders' meeting unless information on reaching or exceeding the threshold has not been published in the manner provided for in Art. 71.1 of the Public Offering Act. In such a case, the time for submitting the demand commences on the day on which the shareholder entitled to demand the purchase of its shareholding by another shareholder becomes, or by exercising due care could have become, aware of reaching or exceeding the threshold by another shareholder.

A written demand from the selling shareholder should be satisfied jointly by the shareholder who reached or exceeded 90% of the overall number of shares and by its subsidiaries and parent entities. The requirement to purchase the shares rests also jointly on any party to a verbal or written agreement on the purchase of shares in a public company by its parties, on voting in concert on material issues of such company at its general shareholders' meeting, or on running a consistent policy in relation to such public company, provided that the parties to such agreement control in aggregate, together with parent entities or subsidiaries, not less than 90% of the overall number of votes. The period to fulfil the demand referred to in the preceding sentences is 30 days from the date of the demand. The sell-out price is determined in accordance with the applicable provisions of the Public Offering Act, concerning the determination of the share price under a tender offer.

Selected Provisions of the Act on Trading in Financial Instruments Relating Exclusively to Brokerage Houses

Restrictions on Acquisition of Shares

Pursuant to Art. 106 of the Act on Trading in Financial Instruments, any intended direct or indirect acquisition of or subscription to a number of shares in a brokerage house which: (i) represents 10% or more of the total vote or the share capital; or (ii) would result in reaching or exceeding 10%, 20%, 33% or 50% of the total vote or the share capital, must be notified to the PFSA. If there is a reasonable suspicion that the entity proposing to acquire shares in such brokerage house could exert detrimental influence on its management, the PFSA has the right to raise an objection to any intended direct or indirect acquisition of or subscription to a specified number of shares in a brokerage house. If the PFSA does not raise such an objection within three months, this means an approval of the acquisition of shares in the brokerage house which the notification concerned. If there are no grounds to raise an objection, the PFSA may also set a final date by which the shares in a brokerage house may be acquired.

If shares in a brokerage house are to be acquired by a foreign investment firm, foreign bank or foreign insurance undertaking authorised to conduct its operations by the competent authority of another member state, the PFSA has the obligation to seek an opinion on such an entity from the competent authority that had granted the authorisation. The opinion concerns the manner of conducting activities by the entity proposing to acquire shares in a brokerage house, including in particular its compliance with applicable laws and regulations.

Any exercise of the voting rights attached to shares in a brokerage house acquired despite the PFSA's objection referred to above, is null and void.

The PFSA's Powers with Respect to Persons Holding Directly or Indirectly 10% or More of the Share Capital or Total Vote

If the PFSA finds that a shareholder or shareholders of a brokerage house who hold shares which represent 10% or more of the total vote or 10% or more of the share capital exert detrimental influence on the management of such brokerage house, then, pursuant to Art. 108 of the Act on Trading in Financial Instruments, the PFSA may order that such detrimental influence be discontinued, specifying the final date, the conditions for and the scope of appropriate measures to be taken, and in the event of non-compliance with such an order it may prohibit, for a period of up to two years, the exercise of voting rights attached to the shares. If, following the lapse of the period of prohibition referred to above, the grounds for the prohibition of exercise of voting rights do not cease to exist, the Commission may order the shareholder or shareholders to whom the prohibition applies to dispose of all or some of the shares they hold by a final date set in the decision. If persons who indirectly acquired shares in a brokerage house exercise detrimental influence on the management of such brokerage house, the Commission may order that the exercise of such detrimental influence be discontinued, specifying the final date, the conditions for and the scope of appropriate measures to be taken.

Use of Inside Information in Trading and Manipulation Involving Financial Instruments

The Act on Trading in Financial Instruments prohibits the use of inside information in trading. Inside information within the meaning of that Act is any information of a precise nature, relating, whether directly or indirectly, to one or more issuers of financial instruments, one or more financial instruments, or acquisition or disposal of such instruments, which has not been made public and which, if made public, would be likely to have a significant effect on the prices of financial instruments or related derivative financial instruments. The Act on Trading in Financial Instruments defines a holder of inside information as anyone who (i) gains inside information by virtue of membership in the governing bodies of the company, by virtue of having an interest in the capital of the company, or as a result of having access to inside information in connection with employment, practised profession, or a mandate contract or any other contract of a similar nature (original holder of inside information), (ii) gains inside information through criminal activities, or (iii) gains inside information otherwise, provided that such person knew or, acting with due diligence, could have known such information to be inside information. In principle, persons holding inside information are forbidden to (i) acquire or dispose of financial instruments for their own account or for the account of a third party on the basis of the inside information, or effect any other legal transaction undertaken for their own account or for the account of a third party which leads or might lead to disposal of such financial instruments, (ii) recommend or induce another person on the basis of the inside information to acquire or dispose of financial instruments to which such information relates, and (iii) disclose the inside information.

Any violation of the prohibition to disclose inside information constitutes an offence. In accordance with the Act on Trading in Financial Instruments, anyone who, in violation of the prohibition discloses inside information is liable to a fine of up to PLN 2,000,000 or a penalty of imprisonment for up to three years, or to both these penalties jointly. Furthermore, anyone who in violation of the prohibition buys or sells financial instruments on the basis of inside information, or takes other steps which lead or might lead to disposal of financial instruments, is liable to a fine of up to PLN 5,000,000 or a penalty of imprisonment for a period from three months to five years, or to both these penalties jointly.

In addition to prohibiting the use of inside information, the Act on Trading in Financial Instruments also forbids manipulation involving financial instruments. Examples of manipulation include manipulating market prices by executing actual or sham transactions, executing other transactions, placing orders, making false representations and disseminating false or misleading information. Depending on the circumstances, manipulation involving financial instruments may constitute (i) a breach of the administrative law, which is punishable by a fine of up to PLN 200,000 or a fine of up to ten times the benefits derived, or by both these penalties jointly with respect to the perpetrator of the manipulation, or (ii) an offence punishable by a fine of up to PLN 5,000,000 or a penalty of imprisonment for a period from three months to five years, or by both these penalties jointly.

Overview of Other Selected Powers of the PFSA

Pursuant to Art. 16 of the Public Offering Act, in the event of a violation of the law in the Republic of Poland in connection with a public offering, or a subscription or sale carried out on the basis of such offering, by the issuer or any other entity acting on behalf of or on instructions from the issuer, or in the event of a reasonable suspicion that such a violation has occurred or might occur, the PFSA may: (a) order that the commencement of such public offering, subscription or sale be withheld or that such public offering, subscription or sale already underway be discontinued, in each case for a period of not more than 10 business days; (b) proscribe the commencement or continuation of the public offering, subscription or sale, or (c) publish, at the expense of the issuer, information concerning the illegal activities with respect to the public offering, subscription or sale.

Likewise, pursuant to Art. 17 of the Public Offering Act, if the issuer, or any other entity acting on behalf of or on instruction from the issuer, violates the law in connection with the seeking of admission or introduction of securities to trading on a regulated market in the Republic of Poland, or if there is a reasonable suspicion that such violation has occurred or may occur, the PFSA may: (a) order that the seeking of admission or introduction of the securities to trading on a regulated market be withheld for a period of not more than 10 business days; (b) proscribe the seeking of admission or introduction of the securities to trading on a regulated market; (c) publish, at the expense of the issuer, information concerning the illegal activities with respect to the seeking of admission or introduction of securities to trading on a regulated market.

The PFSA may apply the measures discussed above also if it follows from the contents of the documents submitted to the PFSA that: (a) the public offering, or subscription or sale made on the basis of such offering, or admission of the securities to trading on a regulated market, would materially compromise investors' interests; (b) there exist circumstances which in the light of the law may lead to discontinuation of the issuer's legal existence; (c) activities of the issuer were, or are, conducted in gross violation of applicable laws and such violation may have a material impact on the assessment of the issuer securities or in the light of the law may lead to discontinuation of the issuer's legal existence or to the issuer's bankruptcy, or (d) the legal status of the securities does not comply with applicable laws and in the light of these laws there is a risk that the securities might be deemed non-existent or having a legal defect which will materially affect their assessment.

If the circumstances which served as the basis for the PFSA's decision to: (a) order that the commencement of a public offering, subscription or sale be withheld or that such public offering, subscription or sale already underway be discontinued, (b) proscribe the commencement or continuation of the public offering, subscription or sale; (c) order that the seeking of admission or introduction of the securities to trading on a regulated market be withheld; (d) proscribe the seeking of admission or introduction of the securities to trading on a regulated market, as well as the basis for the PFSA's decisions referred to in the preceding paragraph, cease to apply, the PFSA, acting at the issuer's or the selling shareholder's request or on an *ex officio* basis, may repeal such decision.

Pursuant to Art. 20.1 of the Act on Trading in Financial Instruments, if justified by the security of trading on the regulated market or a threat to investors' interests, at the demand of the PFSA a company operating a regulated market will withhold the admission to trading on the regulated market or the listing of the securities or other financial instruments specified by the PFSA for up to ten days. Art. 20.2 of the Act on Trading in Financial Instruments stipulates that if the trading in specified securities or other financial instruments is carried out in circumstances which indicate a possible threat to the proper functioning of the regulated market, the security of trading on such a market, or a possible compromise of investors' interests, at the demand of the PFSA a company operating a regulated market will suspend the trading in such securities or instruments for up to one month. Art. 20.3 of the Act on Trading in Financial Instruments provides that at the demand of the PFSA, a company operating a regulated market will exclude from trading the securities indicated by the PFSA if the trading in such securities materially threatens the proper functioning of the regulated market or the security of trading on such a market, or compromises investors' interests. Concurrently, the company operating a regulated market will promptly disclose to the public, through the information agency, the information on the withholding or suspension of trading in specified securities or exclusion of such securities from trading.

Rights and Obligations of Shareholders in a Public Company in Connection with Business Concentrations

Act on Competition and Consumer Protection

In accordance with the basic regulation contained in Art. 13 of the Act on Competition and Consumer Protection, an intended concentration must be notified to the President of the Office of Competition and Consumer Protection if the aggregate worldwide turnover of the undertakings participating in the concentration in the year preceding the year of notification exceeded the equivalent of EUR 1,000,000,000 or if the aggregate turnover of the undertakings participating in the concentration generated in the territory of Poland in the year preceding the year of notification exceeded the equivalent of 50,000,000. The President of the Office of Competition and Consumer Protection approves a concentration if the concentration will not materially limit market competition, in particular by creating or strengthening a dominant position. The turnover figures specified above include both the turnover of the undertakings directly participating in the concentration and the turnover of the other undertakings which belong to the groups of which those directly participating in the concentration are members.

The provisions of the Act on Competition and Consumer Protection apply not only to undertakings (entrepreneurs) within the meaning of the laws on freedom of business activity, but also – pursuant to Art. 4.1.c) of the Act on Competition and Consumer Protection – to natural persons having control within the meaning of the Act on Competition and Consumer Protection over at least one undertaking, even if such person does not conduct business activity within the meaning of the laws on freedom of business activity, provided that such person takes further action which is subject to concentration control within the meaning of the Act on Competition and Consumer Protection. Pursuant to Art. 13.2.2 of the Act on Competition and Consumer Protection, the abovementioned obligation to notify an intended concentration applies *inter alia* in the case of an intended takeover, through acquisition of or subscription for shares or other securities, or in any other manner, of direct or indirect control over

one or more undertakings by one or more undertakings. In the Act on Competition and Consumer Protection, taking over control is understood as any form of direct or indirect acquisition of rights by an undertaking, which rights, individually or jointly, taking into account all legal or factual circumstances, allow for exerting a decisive influence on another undertaking or other undertakings.

The Act on Competition and Consumer Protection does not require a concentration to be notified if the turnover of the undertaking over which control is to be taken did not exceed in the territory of the Republic of Poland the equivalent of EUR 10m in any of the two years preceding the notification. In this case, the above turnover figure includes only the turnover of the undertaking over which control is to be taken and of its subsidiary undertakings.

Furthermore, pursuant to Art. 14 of the Act on Competition and Consumer Protection an intended concentration needs not be notified if: (a) the concentration consists in temporary acquisition or subscription of shares by a financial institution with a view to reselling them, provided that such institution invests in other undertakings' shares for its own or third party account as part of its business activity and the shares will be resold within one year from their acquisition or subscription, and on further condition that (i) the institution does not exercise the rights attached to the shares save for the right to dividend; or (ii) the institution exercises such rights exclusively for the purpose of preparing the sale of the whole or part of the undertaking, its assets, or the shares; (b) the concentration consists in temporary acquisition or subscription of shares by an undertaking with the purpose of securing claims, provided that the undertaking does not exercise the rights attached to such shares save for the right to sell the shares; (c) the concentration concerns undertakings from the same group; (d) the concentration takes place as part of bankruptcy proceedings, except where the undertaking intending to take over control is a competitor of, or is a member of the same group as competitors of, the undertaking to be acquired.

Art. 15 of the Act on Competition and Consumer Protection provides that a concentration effected by a subsidiary undertaking is deemed a concentration effected by the parent undertaking.

Pursuant to Art. 97 of the Act on Competition and Consumer Protection, undertakings whose intended concentration is subject to notification must refrain from effecting the concentration until the President of the Office of Competition and Consumer Protection issues a decision approving the concentration or until the deadline by which such decision should be issued passes. The act in law on the basis of which the concentration is to be effected may be performed on condition that the President of the Office of Competition and Consumer Protection approves the concentration or that the deadlines stipulated in the Act on Competition and Consumer Protection with respect to concentration proceedings pass. Execution of a public offer to purchase or exchange shares, notified to the President of the Office of Competition and Consumer Protection, does not constitute an infringement of the statutory obligation to refrain from effecting a concentration until the President of the Office of Competition and Consumer Protection issues a decision approving the concentration or until the deadline by which such decision should be issued passes if the acquirer does not exercise the voting rights attached to the acquired shares or does so exclusively in order to maintain the full value of its equity investment or in order to prevent a serious damage which could affect the undertakings participating in the concentration.

European Union Regulations Pertaining to Business Concentrations

Concentrations between undertakings operating in Poland may also be governed directly by EU regulations. Council Regulation (EC) No. 139/2004 of January 20th 2004 on the control of concentrations between undertakings (O.J. L. 24.2004, "the EC Merger Regulation") applies to those concentrations which have a Community dimension within the meaning of the EC Merger Regulation. Pursuant to Art. 1 of the EC Merger Regulation a concentration has a Community dimension where: (a) the combined aggregate worldwide turnover of all the undertakings concerned is more than EUR 5bn; and (b) the aggregate Community-wide turnover of each of at least two of the undertakings concerned is more than EUR 250 million, unless each of the undertakings concerned achieves more than two-thirds of its aggregate Community-wide turnover within one and the same Member State. A concentration that does not meet the above thresholds may however still be treated as having a Community dimension if: (a) the combined aggregate worldwide turnover of all the undertakings concerned is more than EUR 2.5bn, (b) in each of at least three Member States, the combined aggregate turnover of all the undertakings concerned is more than EUR 100 million, (c) in each of at least three Member States included for the purpose of point (b), the aggregate turnover of each of at least two of the undertakings concerned is more than EUR 25 million; and (d) the aggregate Community-wide turnover of each of at least two of the undertakings concerned is more than EUR 100 million, unless each of the undertakings concerned achieves more than two-thirds of its aggregate Community-wide turnover within one and the same Member State.

Art. 3 of the EC Merger Regulation introduces the rule that a concentration which falls within the scope of the Regulation arises where a change of control on a lasting basis results from (a) the merger of two or more previously independent undertakings or parts of undertakings, or (b) the acquisition, by one or more persons already controlling at least one undertaking, or by one or more undertakings, whether by purchase of securities or assets, by contract or by any other means, of direct or indirect control of the whole or parts of one or more other undertakings.

Pursuant to Art. 4 of the EC Merger Regulation concentrations having a Community dimension which fall within the scope of the Regulation must be notified to the Commission prior to their implementation and following the conclusion of the agreement, the announcement of the public bid, or the acquisition of a controlling interest. If the European Commission finds that a notified concentration will not significantly impede effective competition in the common market or its substantial part, in particular as a result of creating or strengthening a dominant position, it declares such a concentration compatible with the common market.

A concentration which qualifies for examination under the EC Merger Regulation may not be reviewed under the national competition laws. However, the EC Merger Regulation provides for a system of delegation of powers between the European Commission and national competition authorities.

Proposed voting procedure for shareholders having Company shares registered in Securities accounts operated by participants at the Polish NDS.

Disclosure Requirements Applicable to WSE-Listed Companies

The disclosure requirements which have to be complied with by companies listed on the WSE are laid down in the Public Offering Act, the Act on Trading in Financial Instruments and the secondary legislation issued thereunder, including the Regulation on Current and Periodic Information. Generally, under the Public Offering Act the Company will be required to disclose to the PFSA, the WSE and the public certain information likely to have an effect on the price of its securities, as specified in detail in the Public Offering Act, as well as current and periodic information as specified in the Regulation.

In current reports ("Current Reports"), public companies are required to report events related to their day-to-day activities. Periodic reports, on the other hand, include their financial statements, prepared in accordance with the applicable laws. In particular, the provisions of the Regulation require issuers of securities to publish Current Reports to disclose the following events pertaining to them or their subsidiaries: (i) disposal of significant assets or creation of any significant encumbrance over such assets; (ii) any loss of significant assets as a result of an act of God; (iii) conclusion or termination of any significant agreement; (iv) fulfilment of a condition of any significant agreement; (v) any acquisition or disposal of securities issued by the issuer by the issuer or any of its subsidiaries; (vi) provision of a significant surety, loan or guarantee; (vii) institution of any significant proceedings before a court or any public administration authority; (viii) registration by a court of any change in the amount of the share capital; (ix) any change in the rights attached to the issuer securities; (x) any issue of bonds by the issuer; (xi) retirement of the issuer securities; (xii) any merger, demerger or transformation of the issuer; (xiii) appointment or dismissal of the issuer's auditors; (xiv) any appointment, removal or resignation of a member of the issuer's management or supervisory body; (xv) any declaration of bankruptcy, any filing of a bankruptcy petition and any other steps taken in connection with bankruptcy or arrangement; (xvi) any discontinuation of enforcement proceedings due to lack of sufficient assets; (xvii) preparation of a financial performance forecast (if the issuer decided to publish such a forecast); (xviii) any assignment or change of a rating requested by the issuer.

Furthermore, the Regulation makes it obligatory to disclose in Current Reports various information relating to the process of admission of issuer securities to trading on a regulated market, steps taken by the issuer and decisions issued by the regulatory bodies as part of that process, as well as information on the dates, hours, agendas and draft resolutions of general shareholders' meetings of the issuer which is a joint-stock company and actions brought to repeal such resolutions. The Regulation specifies detailed contents of Current Reports; it also specifies detailed contents of periodic (quarterly, semi-annual and annual) reports, which contain mainly the issuer's financial information and reports prepared by its management bodies.

Pursuant to the Regulation:

- Current Reports should be published promptly, and in any case no later than 24 hours from the occurrence of the event which they describe,
- quarterly reports should be published no later than 45 days from the end of the quarter to which they relate, with a reservation, however, that the issuer is not required to publish quarterly reports for the second quarter and that quarterly reports for the last quarter have to be published no later than 60 days from the end of the quarter to which they relate;
- semi-annual reports (published exclusively for the first half of a financial year) should be published no later than 2 months from the end of the first half of a financial year;
- annual reports should be published no later than 4 months from the balance-sheet date as at which the annual financial statements for the previous financial year were prepared.

As a rule, companies whose securities are listed in Poland are also required to disclose certain "Inside Information". Inside Information, within the meaning of the Act on Trading in Financial Instruments, is any information relating to the company or its shares which is likely to have an effect on the price of the company securities and which has not been made public, if it is: (i) of a precise nature; and (ii) likely to be taken into account by a reasonable investor in making an investment decision. Inside Information has to be disclosed simultaneously to the PFSA, the WSE and the public. Companies are required to disclose such information promptly upon occurrence of the events or circumstances which require such disclosure, or promptly upon becoming aware of such events or circumstances, but in any case not later than within 24 hours.

The Company intends to publish its current and periodic reports using the ESPI system (Electronic Data Transmission system designed to support the fulfilment of disclosure requirements by issuers whose securities are listed in Poland).

Key Information on Tax Treatment of Income Related to Holding and Trading in Shares

The information provided below is only a general overview, based exclusively on the tax legislation effective at the time of preparation of this Prospectus. Prospective investors are recommended to seek professional advice from their tax and legal advisers regarding tax implications of holding and trading in securities, as well as the tax liability related to the acquisition of shares.

Review of Income Tax Regime

Income from Sale of Securities by Natural Persons Subject to Unlimited Tax Liability in Poland

Income from sale of securities is not aggregated with income from other sources and – pursuant to Art. 30b.1 of the Personal Income Tax Act – it is taxed at a flat rate of 19%. Income is calculated as a surplus of revenue from a transaction (the selling price) over tax-deductible costs incurred to obtain that revenue (mainly expenditures incurred to acquire the shares that are being sold) during a fiscal year.

If the contractual selling price of the securities differs significantly from their market value without good reason, then the amount of revenue from the sale of such securities for a consideration is assessed by the competent tax authority as their market value. As a rule, a taxpayer should calculate and pay tax on income from sale of securities through an annual tax return, which is to be filed by April 30th of the following year. Given uncertainties as to the correct interpretation of Art. 40 of the Personal Income Tax Act, it may happen that the tax authorities will adopt the position that some natural persons (mainly, but not limited to, persons in an employment relationship and persons receiving social security benefits) have to make tax prepayments on income from sale of securities. Thus, especially with regard to the latter obligation, investors are recommended to seek advice from a professional tax adviser.

The above regulations do not apply if securities are sold as part of business activity, in which case income from their sale should be treated as business income and settled in accordance with rules of general application.

Income from Sale of Securities by CIT Payers Subject to Unlimited Tax Liability in Poland

Income from sale of securities for a consideration is taxed in accordance with rules of general application. Revenue from a transaction (the selling price) and costs incurred to obtain that revenue are aggregated with other revenue and costs generated/incurred in a given fiscal period. Costs are recognised at the date when revenue is obtained. If the contractual selling price of the securities differs significantly from their market value without good reason, then the amount of revenue from the sale of such securities for a consideration is assessed by the competent tax authority as their market value. Income tax on such transactions is levied at a rate of 19%.

Tax on Dividend Income Earned by Natural Persons and CIT Payers Subject to Unlimited Tax Liability in Poland

Pursuant to Art. 30a.1.4 of the Personal Income Tax Act and Art. 22.1 of the Corporate Income Tax Act, dividend income and other income from profit distributions made by legal persons having their registered offices in Poland, earned by natural persons domiciled in Poland and by CIT payers having their registered offices or management in Poland, is subject to income tax at a flat rate of 19% of the revenue obtained.

However, pursuant to Art. 22.4 of the Corporate Income Tax Act, dividend income and other income from profit distributions made by legal persons is exempt from income tax if it is earned by a company which is subject to income tax on its entire income in Poland, regardless of where such income is earned, and which holds directly, for an uninterrupted period of two years, no less than 15% of shares in the share capital of an entity paying out the dividend (since 2009 – 10%). The above exemption is also applied if an uninterrupted period of two years of holding the shares in the amount specified above by a company deriving income from profit distributions made by a legal person expires after the income is obtained. However, if the condition which requires the holding of shares in the amount specified above for an uninterrupted period of two years is not satisfied, a company deriving income from profit distributions made by a legal person is obliged to pay the tax on the income, plus late interest, by the 20th day of the month following the month in which it lost the right to claim the exemption.

Under Art. 41 of the Personal Income Tax Act and Art. 26.1 and 26.3 of the Corporate Income Tax Act, as a rule the flat-rate income tax on dividend and other profit distributions made by a legal person is to be withheld by the entity paying out the dividend and other profit distributions. Tax remitters are required to provide the taxpayer with information, in the prescribed form, on the amount of tax withheld.

Tax on Income from Sale of Securities and Dividend Income Earned by Natural Persons and CIT Payers Subject to Limited Tax Liability in Poland

As a rule, natural persons and CIT payers subject to limited tax liability in Poland are subject to the same regime governing taxation of income from sale of securities for a consideration and dividend income as that described above, unless the relevant double tax treaty provides otherwise.

If the tax is withheld by a tax remitter, the application of a relevant double tax treaty is conditional upon the taxpayer's submitting a certificate of tax residence issued by the competent tax authority of the country where the taxpayer is resident for tax purposes. Furthermore, in cases where taxpayers would be obliged to pay the tax on their own, they may also be required to provide a certificate of tax residence to the competent tax authority.

Furthermore, under Art. 22.4 of the Corporate Income Tax Act, dividend income and other income from profit distributions made by legal persons is exempt from income tax if it is earned by a company which is subject to income tax on its entire income in a European Union member state or in another member state of the European Economic Area, regardless of where such income is earned, and which holds directly, for an uninterrupted period of two years, no less than 15% of shares in the share capital of an entity paying out the dividend (since January 1st 2009 – 10%). The above exemption is also applied if an uninterrupted period of two years of holding the shares in the amount specified above by a company deriving income from profit distributions made by a legal person expires after the income is obtained. However, if the condition which requires the holding of shares in the amount specified above for an uninterrupted period of two years is not satisfied, a company deriving income from profit distributions made by a legal person is obliged to pay the tax on the income, plus late interest, by the 20th day of the month following the month in which it lost the right to claim the exemption. The exemption is also applied accordingly to cooperatives established under Regulation 1435/2003/EC on the Statute for the European Cooperative Society (SCE), dated July 22nd 2003, (Official Journal of the European Union L 207 of August 18th 2003); and to dividend income and other income from profit distributions paid out by legal persons to companies which are subject to income tax on their entire income in the Swiss Confederation, regardless of where such income is earned, and which hold directly no less than 25% of shares in the share capital of the entity paying out the dividend or other profit distributions; as well as to entities listed in Appendix 4 to the Corporate Income Tax Act, with the reservation that in the case of the Swiss Confederation, the exemption can be claimed by entities subject to income tax on their entire income in that country, regardless of where such income is earned, and which hold directly no less than 25% of shares in the share capital of the entity paying out the dividend or other profit distributions.

In the light of Art. 26.1c of the Corporate Income Tax Act, the exemption from income tax provided for under Art. 22.4 of the Corporate Income Tax Act can only be claimed on condition that the company deriving income from profit distributions made by a legal person provides a certificate of tax residence issued by the competent tax authority (and in cases where the recipient of dividend income and other income from profit distributions made by a legal person is a foreign branch of the company – on condition that the company provides evidence of the foreign branch's existence in the form of a certificate issued by the competent tax authority of the country where the company has its registered office or management, or by the competent tax authority of the country where the foreign branch is located).

Duty on Civil Law Transactions

As a rule, a sale of shares in companies having their registered offices in Poland is considered to be a sale of property rights exercisable in Poland and is subject to duty on actions civil law transactions at a rate of 1% of the transaction value, which is payable by the buyer and should be settled within 14 days from the day on which the transaction was performed (i.e. effectively from the day on which the sale agreement was concluded). If the agreement is executed in the form of a notary deed, then the tax is to be remitted by the notary public.

However, pursuant to Art. 9.9 of the Act on Duty Civil Law Transactions, a sale of broker-traded financial instruments to or through investment companies and a sale of such instruments in organised trading are exempt from duty on civil law transactions.

Inheritance and Donation Tax

Pursuant to the Act on Inheritance and Donation Tax, the acquisition by natural persons of property rights through inheritance or donation, including rights related to the holding of securities, is subject to inheritance and donation tax, if at the time when the inheritance entitlement arises or the donation agreement is concluded the heir or donee is a Polish citizen or is permanently domiciled in Poland, or if the property rights are exercisable in the territory of Poland.

The rates of inheritance and donation tax vary depending on the degree of kinship by blood, kinship through marriage or other type of personal relationship existing between the testator and the heir or between the donor and the donee.

Tax Legislation Act

Pursuant to Art. 30 of the Tax Legislation Act, a tax remitter failing to fulfil its duty to withhold or pay tax is liable for the tax that has not been withheld or that has been withheld but not paid, up to the value of all its assets.

27. INFORMATION ON THE TERMS OF THE OFFERING

This Prospectus does not form a basis for a public offering of the Company Shares. It was prepared in connection with the admission and introduction of 7,000,000 Series A shares and 21,571,410 Series B shares to trading on the Warsaw Stock Exchange.

28. ADMISSION OF SECURITIES TO TRADING

28.1 Regulated Market

The Company's intention is that all the Shares be admitted to stock-exchange trading and listed on the main market of the Warsaw Stock Exchange. A positive decision of the Management Board of the WSE in this respect depends on the fulfilment of numerous requirements specified in the WSE Rules and the Regulation of the Minister of Finance of October 14th 2005 on detailed requirements for an official stock-exchange listing market and issuers of securities admitted to trading on such market. The Company believes that it will be able to meet the conditions for admission of the Shares to trading on the main market; however, this will partly depend on the results of the sale of the Shares in the private placement, carried out prior to the introduction of the Shares to listing and referred to in Section 28.3 of this Prospectus. This applies, in particular, to the requirement of adequate free float, specified in the aforementioned Regulation, defined by the number of shares held by minority shareholders, each holding no more than 5% of the total vote at the General Shareholders Meeting. As at the Prospectus approval date, all the shares held by such minority shareholders represented less than 22% of all the Company Shares, versus the 25% threshold specified in the Regulation, whose achievement is required to fulfil the free float requirement. Considering the fact that the Shares are to be offered for sale in a private placement prior to their introduction to stock-exchange trading, the Management Board believes that the Company Shares should meet the admission requirements applicable on the main market.

If despite the efforts made by the Company's Management Board, the introduction of the Shares to trading on the main market is not possible, the Company Shares will be introduced to trading on the parallel market. In such a case, the Company's intention will be to transfer the listing of the Shares from the parallel market to the main market as soon as the appropriate requirements are met.

As at the Prospectus approval date, the Company Shares comprising its share capital are ordinary registered shares. However, in accordance with the provisions of the Company's Articles of Association, the Shares will become bearer shares once they are registered in the system of the Polish National Depository for Securities. The registration of the Shares in the Polish NDS is a precondition of admission and introduction of the Shares to stock-exchange trading. Therefore, the Company intends to apply for the registration of the Shares with the Polish NDS immediately after the Issue Prospectus is approved.

The information on the registration of the Shares with the Polish NDS as well as their admission to stock-exchange trading and the date of their first listing will be published in the form of a Current Report, referred to in Art. 56.1 of the Public Offering Act.

28.2 Other Regulated or Equivalent Markets on which the Company Shares are Admitted to Trading

As at the Prospectus approval date, the Company Shares are not traded on any regulated market.

28.3 Nature, Number and Characteristics of the Shares to be Sold or Placed in a Private or Public Offering

The shares sold are not preference shares and there are no restrictions on their transferability. No obligation to provide any additional performances is attached to the Shares

Before the Company Shares are introduced to trading on the Warsaw Stock Exchange, the Shares are planned to be offered to selected investors in a private placement ("the Private Placement"). In the Private Placement, up to 4,857,140 of the sale shares, representing 17% of all the Company Shares, are planned to be offered, both in Poland and abroad, by Manchester Securities Corp. (the "Selling Shareholder", see Section 19 – Major Shareholders for detailed information on Manchester Securities Corp., which holds 30% of the Shares, conferring the rights to 30% of the total vote at the General Shareholders Meeting). However, it may not be ruled out that more Shares will be offered and ultimately sold in the Private Placement because, apart from the Selling Shareholder, also other existing shareholders may sell some of their Shares. In particular, the intention to sell the Company Shares was expressed by some of the Company employees being parties to the stock option agreements referred to in Section 19.2-II. Under the stock option agreements, the employees are entitled to sell up to 25% of the shares acquired by them in performance of the agreements. By the Prospectus approval date, neither the Selling Shareholder nor the other shareholders referred to above had undertaken any final obligation to sell their Shares. It is assumed, however, that a total of 18.38% of the Company Shares will be offered for sale in the Private Placement.

All the Company Shares, including the Shares to be sold in the Private Placement, confer the same rights and, pursuant to the information contained in Section 28.1 of this Prospectus, the Company will apply for both the Shares offered in the Private Placement and all the other Series A and Series B shares to be introduced to trading on the same day.

The Private Placement will be carried out through the agency of IPOPEMA Securities, which will act as the coordinator of the placement of the Shares.

The information on the number of the Shares to be sold in the Private Placement will be published as soon as the Private Placement is completed, but prior to the day of the planned first listing of the Company Shares on the Warsaw Stock Exchange, in the manner specified in Art. 56.1 of the Public Offering Act. If the Selling Shareholder chooses to abandon the sale of the Shares in the Private Placement, to which the Selling Shareholder is entitled, the relevant information will be reported in the same manner.

28.4 Secondary Market Trading Agents

No entity has any binding obligation to act as an agent in secondary trading to ensure liquidity of the Company Shares through bid and offer quotations.

29. INFORMATION ON THE SELLING SHAREHOLDERS. LOCK-UP AGREEMENTS

This Prospectus does not form a basis for a sale of the Company Shares.

However, considering the fact that the Shares will be offered to investors in the Private Placement, the Company concluded with the existing shareholders agreements prohibiting the shareholders from selling their shares ("Lock-Up Agreement"). In particular, Lock-Up Agreements were concluded with the Company shareholders (listed in Section 31 of this Prospectus) (with the exception of Manchester Securities Corp.) holding in total 19,928,561 Shares, representing 69.75% of the total number of shares and votes on the General Shareholders Meeting, which agreed not to sell their Shares, or dispose of the Shares in a manner causing a similar effect:

- until the last day of the 12-month period as of the date of introduction of the Company Shares to trading on the Warsaw Stock Exchange
 - with respect to 25% of all the Shares held by a given shareholder, subject to the right to sell all or some of such Shares in the Private Placement; these restrictions will not apply if the closing price of the Company shares at any session at the WSE exceeds their closing price on the date of Introduction by at least 100%, provided, however, that the Shareholder obtains IPOPEMA's written consent,
- until the last day of the 24-month period as of the date of introduction of the Company Shares to trading on the Warsaw Stock Exchange
 - with respect to the remaining 75% of the Shares held by a given shareholder as at the agreement date.

Restrictions on the right to sell the Shares also apply in the case of the Shares held by Manchester Securities Corp. other than the Shares to be sold in the private placement. In the Agreement on Offering of Shares of May 5th 2009 (described in Section 20 item 7/ of the Prospectus) Manchester Securities Corp. undertook not to sell the Shares (or dispose of the Shares in any manner causing a similar effect) for 12 months as of the date of introduction of the Shares to stock-exchange trading. These restrictions will not apply in the same case as that described in item (i) above, and as discussed below.

The above restrictions do not apply (neither with respect to Manchester Securities Corp., nor the other shareholders with whom the agreements discussed in this Section 29 were concluded): (i) if a demand to sell IPOPEMA shares is announced as part of a mandatory buyout carried out in the manner and on the terms specified in the Public Offering Act, and (ii) if a tender offer to sell or exchange IPOPEMA shares is announced, subject to obtaining a written consent of the Company.

30. COSTS OF THE OFFERING

The costs connected with the introduction of the Company Shares to trading on the Warsaw Stock Exchange are estimated at about PLN 1.1m. This amount includes the costs of organisation of the Introduction process and of carrying out the private placement referred to in Section 28.3 of the Prospectus, preparation and printing of this Prospectus, the costs of the Company's advisors, administrative fees (payable to the WSE and the Polish NDS) and marketing costs. All these costs have been or will be charged to the Company's financial result.

31. DILUTION

The Company's shareholder structure is currently as follows:

	No. of shares	No. of votes at GM	% of total vote at GM
Manchester Securities Corp.	8,571,420	8,571,420	30.00%
Mr Jacek Lewandowski	5,458,860	5,458,860	19.11%
IPOPEMA 10 FIZAN ¹⁾	2,851,420	2,851,420	9.98%
IPOPEMA PRE-IPO FIZAN ²⁾	2,851,120	2,851,120	9.98%
Ms Katarzyna Lewandowska	2,749,998	2,749,998	9.62%
MJM Inwestycje Piskorski S.k.a. ³⁾	1,285,713	1,285,713	4.50%
Futuro Capital Borys S.k.a. ⁴⁾	928,571	928,571	3.25%
Mr Stanisław Waczkowski	291,435	291,435	1.02%
Dominium Inwestycje Kryca S.k.a. ⁵⁾	285,714	285,714	1.00%
JL S.A. ⁶⁾	11,447	11,447	0.04%
Other ⁷⁾	3,285,712	3,285,712	11.50%
Total number shares	28,571,410	28,571,410	100.00%

1) The only investor in IPOPEMA 10 FIZAN (closed-end private equity fund) is Mr Stanisław Waczkowski.

2) The only investor in IPOPEMA PRE-IPO FIZAN (closed-end private equity fund) is Mr Jacek Lewandowski.

3) A subsidiary undertaking of Mr Mariusz Piskorski.

4) A subsidiary undertaking of Mr Mirosław Borys.

5) A subsidiary undertaking of Mr Bogdan Kryca.

6) A subsidiary undertaking of Mr Jacek Lewandowski.

7) Present and former employees of the Company or their subsidiary or related undertakings.

The introduction of the Shares to stock-exchange trading will not cause any dilution of the shareholdings – no public offering of Shares will be carried out by the Company pursuant to this Prospectus, while the Private Placement, referred to in Section 28.3, covers only the existing Shares held by the existing shareholders. If all the Shares offered in the Private Placement are sold, the Company's shareholder structure as at the date of the introduction of the Shares to stock-exchange trading will be as follows:

	No. of shares	No. of votes at GM	% of total vote at GM
Manchester Securities Corp.	3,714,280	3,714,280	13.00%
Mr Jacek Lewandowski	5,458,860	5,458,860	19.11%
IPOPEMA 10 FIZAN	2,851,420	2,851,420	9.98%
IPOPEMA PRE-IPO FIZAN	2,851,120	2,851,120	9.98%
Ms Katarzyna Lewandowska	2,749,998	2,749,998	9.62%
MJM Inwestycje Piskorski S.k.a.	1,285,713	1,285,713	4.50%
Futuro Capital Borys S.k.a.	928,571	928,571	3.25%
Mr Stanisław Waczkowski	291,435	291,435	1.02%
Dominium Inwestycje Kryca S.k.a.	285,714	285,714	1.00%
JL S.A.	11,447	11,447	0.04%
Other	2,892,855	2,892,855	10.12%
Investors acquiring the Shares in the Private Placement	5,249,997	5,249,997	18.38%
Total number shares	28,571,410	28,571,410	100.00%

In the future, i.e. following the introduction of the Company Shares to stock-exchange trading, the Shares may be diluted in connection with the Series C shares being issued under the Incentive Scheme (which is discussed, *inter alia*, in Section 19.2 of this Prospectus) or any potential increase in the Company's share capital within the limit of the authorised capital defined in the Articles of Association.

32. OTHER INFORMATION

32.1 Auditors

First Names and Surnames, Addresses and Membership of Professional Organisations

In 2005, Polskie Centrum Audytu i Rachunkowości Sp. z o.o. was the Company's auditor. The Company's financial statements for the financial year from March 10th 2005 to December 31st 2005 were audited by Mr Andrzej Wojciechowski, qualified auditor entered in the list of persons qualified to audit financial statements under No. 4407/7027, acting on behalf of Polskie Centrum Audytu i Rachunkowości Sp. z o.o., ul. Śniadeckich 17, 00-654 Warsaw, Poland.

Polskie Centrum Audytu i Rachunkowości Sp. z o.o. was the Company's auditor also in 2006. The Company's financial statements for the financial year January 1st – December 31st 2006 were audited by Mr Andrzej Wojciechowski, qualified auditor entered in the list of persons qualified to audit financial statements under No. 4407/7027, acting on behalf of Polskie Centrum Audytu i Rachunkowości Sp. z o.o., ul. Śniadeckich 17, 00-654 Warsaw, Poland.

In 2007, the Company's auditor was BDO Numerica Sp. z o.o. The Company's financial statements for the financial year January 1st – December 31st 2007 were audited by Mr Tomasz Janyst, qualified auditor entered in the list of persons qualified to audit financial statements under No. 10847/7964, acting on behalf of BDO Numerica Sp. z o.o., ul. Postępu 12, 02-676 Warsaw, Poland.

The historical financial information for the 2005, 2006 and 2007 financial years and for the first half of 2007 and the first half of 2008 presented in this Prospectus was audited by Tomasz Janyst, qualified auditor entered in the list of persons qualified to audit financial statements under No. 10847/7964, acting on behalf of BDO Numerica International Auditors & Consultants Sp. z o.o., ul. Postępu 12, 02-676 Warsaw, Poland.

Information on Resignation, Dismissal or Change of the Auditor

The Company's Supervisory Board selected Polskie Centrum Audytu i Rachunkowości Sp. z o.o. to audit the financial statements for the 2005 and 2006 financial years because the company submitted an attractive offer and had experience in auditing the financial statements of Dom Inwestycyjny IPOPEMA S.A. in previous years.

As the Company has been seeking to become a public company, it decided to appoint BDO Numerica International Auditors & Consultants Sp. z o.o. to audit its financial statements as of 2007. The decision was based on the experience of BDO Numerica Sp. z o.o. in auditing financial statements of companies preparing financial information for the purpose of an issue prospectus.

32.2 Documents on Display

In the period of validity of the Issue Prospectus, the following documents or their copies in the printed form will be made available at the Company's registered office:

- 1) the Company's Articles of Association, Rules of Procedure for the General Shareholders Meeting, the Management Board and the Supervisory Board of the Company,
- 2) the Company's historical financial information for the period covered by this Prospectus.

This Prospectus will be made available in an electronic form on the Company's official website and on the official website of the Warsaw Stock Exchange (www.gpw.pl).

32.3 Third Party Information and Statement by Experts

This Prospectus contains information provided by third parties. The following sources, in particular, were used in the preparation of this Prospectus: Warsaw Stock Exchange (WSE), Polish Securities and Exchange Commission (KPWiG) and, subsequently, Polish Financial Supervision Commission (KNF), Polish National Depository for Securities (KDPW), Chamber of Fund and Asset Management (IZFiA), the Gdańsk Institute for Market Economics (IBnGR), Central Statistics Office (GUS), Eurostat, National Bank of Poland (NBP), Anality Online, European Private Equity and Venture Capital Association (EVCA), European Fund and Asset Management Association (EFAMA), World Federation of Exchanges, PricewaterhouseCoopers (PwC), Ernst & Young (E&Y), McKinsey & Company, *Forbes*, *Manger Magazine*, *Gazeta Giełdy Parkiet*, *Rzeczpospolita*, IPO.pl, European Federation of Management Consultancies Associations (FEACO).

The information sourced from third parties has been accurately reproduced and, as far as the Company is able to ascertain from the information published by the respective third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Prospectus does not contain any statements or reports by persons referred to as experts.

33. HISTORICAL FINANCIAL INFORMATION

33.1 Historical Financial Information

This chapter contains the Company's historical financial information for the periods: March 10th – December 31st 2005, January 1st – December 31st 2006, January 1st – December 31st 2007, and January 1st – June 30th 2008, together with the comparable data for the period January 1st – June 30th 2007. The financial statements for those periods, which served as the basis for the historical financial information, were audited in accordance with the applicable legal regulations and professional standards. Auditors' opinions on those financial statements are included in Section 33.2 of this Prospectus.

The historical financial information is presented in compliance with the provisions of the Accountancy Act (Dz.U. of 2002, No. 76, item 694, as amended), Regulation of the Minister of Finance of December 27th 2007 on special accounting rules for brokerage houses and organisational units of banks which conduct brokerage activity, and Regulation of the Minister of Finance of October 18th 2005 on the scope of information to be disclosed in the financial statements and consolidated financial statements required to be included in issue prospectuses of issuers which have their registered offices in the Republic of Poland and to which Polish accounting standards apply (Dz.U. of 2005, No. 209, item 1743).

The historical financial information has been prepared and presented in the format which will be adopted for the Company's next financial statements to be published, that is the financial statements for the period January 1st – December 31st 2008, in compliance with the accounting standards and principles, as well as legal regulations which apply to such annual financial statements.

In the absence of material events meeting the criteria specified in Commission Regulation (EC) No. 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, presentation of pro forma information is not required.

INTRODUCTION TO THE FINANCIAL STATEMENTS

The Company

The Company was established (under the name of Dom Maklerski IPOPEMA S.A.) on March 2nd 2005 under Notarial Deed No. Rep. A 2640/2005, including also the Company's Articles of Association, prepared by Mr Janusz Rudnicki, Notary Public of Notary Office located in ul. Marszałkowska 55/73, suite 33, Warsaw, Poland. According to the Articles of Association, the Company has been established for indefinite time.

The Company's registered office is in ul. Waliców 11, Warsaw, Poland.

Pursuant to a decision issued by the District Court for the Capital City of Warsaw, XII Commercial Division of the National Court Register, on March 22nd 2005 the Company was entered into the Register of Entrepreneurs at the National Court Register under No. KRS 0000230737.

The Company was assigned Industry Identification Number (REGON) 140086881.

On June 30th 2005, Polish Securities and Exchange Commission granted a brokerage licence to the Company, authorising it to conduct brokerage activities in the scope covered by the decision.

The name of the Company was changed from Dom Maklerski IPOPEMA S.A. to IPOPEMA Securities Spółka Akcyjna under Resolution No. 5 of the Extraordinary General Shareholders Meeting held on August 10th 2006.

Brokerage activities form the core business of the Company.

Going Concern Assumption

These financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future, that is over 12 months after the balance-sheet date. As at the date of approval of these financial statements, no circumstances have been identified which would threaten the Company's continuing as a going concern, as a result of voluntary or involuntary discontinuation or material limitation of its existing operations, within at least 12 months from the balance-sheet date, that is June 30th 2008.

Composition of the Management Board

As at this Prospectus approval date, the Company's Management Board was composed of:

Jacek Lewandowski – President of the Management Board

Mirosław Borys – Vice-President of the Management Board

Mariusz Piskorski – Vice-President of the Management Board

Stanisław Waczkowski – Vice-President of the Management Board

Stanisław Waczkowski has been holding the position of Vice-President of the Management Board since August 2006.

As at this Prospectus approval date, the Company's Supervisory Board was composed of:

Jacek Jonak – Chairman of the Supervisory Board

Roman Miler – Deputy Chairman of the Supervisory Board

Janusz Diemko – Secretary of the Supervisory Board

Bogdan Kryca – Member of the Supervisory Board

Wiktor Sliwinski – Member of the Supervisory Board

Following the resignation of Mr Wieslaw Oleś from his position in the Supervisory Board, in December 2007 Mr Jacek Jonak was appointed to the Supervisory Board as its Chairman.

Following the resignation of Mr Jarosław Golacik, in December 2006 Mr Wiktor Sliwinski was appointed to the Supervisory Board.

Basis of Accounting

The historical financial information was prepared for the periods: March 10th – December 31st 2005, January 1st – December 31st 2006, January 1st – December 31st 2007, and January 1st – June 30th 2008, based on the non-consolidated financial statements for the respective periods.

The Company is the parent undertaking with respect to IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A. ("IPOPEMA TFI"), registered office in ul. Waliców 11, 00-851 Warsaw, Poland. IPOPEMA TFI was established on March 14th 2007. Its business profile comprises the operation of an investment fund company, as well as the creation and management of investment funds.

In the period covered by the historical financial information, the Company did not prepare consolidated financial statements.

IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A. has not been consolidated, as it has had no material effect on the financial standing of IPOPEMA Securities. The company was authorised to operate an investment fund company by the Polish Financial Supervision Authority on September 13th 2007.

The historical financial information contained in these financial statements is presented in PLN '000.

These financial statements were prepared in accordance with the historical cost convention.

The financial statements which were the basis for the preparation of the historical financial information were prepared in compliance with the Polish Accounting Standards („PAS”) and in accordance with:

- Accountancy Act of September 29th 1994 (Dz. U. of 2002, No. 76, item 694, as amended) (the "Accountancy Act")
- Regulation of the Minister of Finance of December 18th 2001 on special accounting rules for brokerage houses and organisational units of banks which conduct brokerage activity (Dz. U. of 2001, No. 153, item 1753)
- Regulation of the Minister of Finance on special accounting rules for brokerage houses and organisational units of banks which conduct brokerage activity of December 27th 2007 (Dz. U. of 2007, No. 250, item 1871)
- Corporate Income Tax Act of February 15th 1992 (Dz. U. of 2000, No. 54, item 654, as amended)
- Act on Trading in Financial Instruments of July 29th 2005 (Dz.U. of 2005, No. 183, item 1538)
- Regulation of the Minister of Finance on the scope of information to be disclosed in the financial statements and consolidated financial statements required to be included in prospectuses of issuers which have their registered offices in the Republic of Poland and to which Polish accounting standards apply of October 18th 2005 (Appendix 5)

Corporate merger

In the periods covered by the historical financial information, no corporate mergers referred to in Arts. 44 b and 44 c of the Accountancy Act took place.

Correction of errors and corrections made as a result of qualifications in auditors' opinions

There were no error corrections in the periods covered by the historical financial information.

Auditors' opinions on the financial statements for the years which are covered by the historical financial information included in this Prospectus contained no qualifications.

Adopted accounting policies, methods of measurement of assets and liabilities (including amortisation/depreciation methods) and methods of measurement of the net profit (loss):

1) Cash and cash equivalents

Cash and short-term deposits disclosed in the balance sheet include cash in hand and at banks, as well as short-term deposits with original terms to maturity not exceeding three months.

The balance of cash and cash equivalents shown in the cash-flow statement comprises the same cash and cash equivalent items.

Cash is measured at nominal value.

2) Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are measured at acquisition cost less depreciation (amortisation) and impairment losses.

Costs incurred after a given asset has been placed in service, such as costs of maintenance or repair, are charged to the income statement as incurred.

Depreciation (amortisation) is charged using the straight-line method over the estimated useful life of an asset. The estimated useful lives of particular assets are presented in the table below.

Type of asset	Period	Depreciation/amortisation rate
Plant and equipment	10 years	10%
Office equipment	5 years	20%
Computers	3 years	30%
Leasehold improvements	10 years	10%
Intangible assets	2 years	50%

Property, plant and equipment and intangible assets whose initial value does not exceed PLN 3,500 are expensed on a one-off basis. However, property, plant and equipment and intangible assets with initial value of less than PLN 3,500 may be included in the records on non-current assets and depreciated (amortised) over a certain period of time where justified by the company's needs.

Items of property, plant and equipment and intangible assets may be derecognised following their disposal or if no further economic benefits are expected to be derived from their further use. Any gains or losses arising on the derecognition (calculated as the difference between net proceeds from the sale, if any, and the carrying amount of a given item) are included in the income statement in the period when the item was derecognised.

Residual values, useful lives and methods of depreciation (amortisation) of assets are reviewed and, if necessary, adjusted at the end of each financial year.

3) Receivables

a) Current receivables

Current receivables include all the receivables from clients, related undertakings, brokerage offices, other brokerage houses and commodity brokerage houses under executed transactions, as well as all or part of receivables related to other items, which are not classified as financial assets, in each case maturing within 12 months as from the balance-sheet date.

Receivables are measured at amounts receivable, subject to the prudent valuation principle. The amount of receivables is decreased by impairment charges, which are recognised based on an analysis of collectability of receivables from the particular debtors.

An impairment charge for receivables is recognised when collection of the full amount of the receivable is no longer probable. In view of the nature of its activity, the Company has adopted the following policy for recognising impairment charges for past-due receivables:

- a. receivables past due by up to 6 months – no impairment charge is recognised
- b. receivables past due by more than 6 months to 1 year – impairment charge of 50% of the receivables amount is recognised
- c. receivables past due by more than 1 year – impairment charge of 100% of the receivables amount is recognised

Impairment charges for receivables are presented in the income statement under the item "recognition of impairment charges for receivables". The cost connected with recognition of an impairment charge is not a tax-deductible expense.

Current receivables from clients, current receivables from brokerage offices and other brokerage houses, current liabilities to clients and current liabilities to brokerage offices and other brokerage houses

Current receivables from clients, current receivables from brokerage offices and other brokerage houses, current liabilities to clients and current liabilities to brokerage offices and other brokerage houses arise in connection with the executed transactions of purchase and sale

of securities which have not yet been cleared at the Polish NDS. In the case of purchase transactions made on the WSE to execute orders placed by clients whose accounts are kept by custodian banks, the Company recognises current liabilities towards brokerage offices and brokerage houses (parties to the market transactions) and current receivables from the clients for whom the purchase transactions were executed. In the case of sale transactions made on the WSE to execute orders placed by clients whose accounts are kept by custodian banks, the Company discloses current receivables from brokerage offices and other brokerage houses (parties to the market transactions) and current liabilities towards the clients for whom the sale transactions were executed.

b) Non-current receivables

Non-current receivables are receivables whose terms to maturity are longer than 12 months as from the balance-sheet date.

4) Financial instruments

Financial instruments fall into the following categories:

- financial instruments held for trading
- financial instruments held to maturity
- financial instruments available for sale

Financial instruments held for trading

Financial instruments held for trading are financial instruments acquired for the Company's own account in connection with executed transactions and are measured at fair value, determined by reference to their market value as at the balance-sheet date. Any income and expenses connected with financial instruments held for trading are presented in these financial statements under income from financial instruments held for trading and costs related to financial instruments held for trading, as applicable.

In the period covered by the historical financial information, the Company did not acquire any securities for its own account. The Company classified as financial instruments held for trading those securities which were acquired as a result of erroneously executed transactions.

Financial instruments held to maturity

Financial instruments held to maturity are investments with fixed or determinable payments and fixed maturities that the Company has the positive intent and ability to hold to maturity. Financial assets held to maturity are measured at amortised cost using the effective interest method.

Financial assets held to maturity are classified as non-current assets if their terms to maturity are longer than 12 months as from the balance-sheet date.

Financial instruments available for sale

Any other financial instruments are classified as financial instruments available for sale. Financial instruments available for sale are carried at fair value (without deducting the transaction costs), determined by reference to their fair value as at the balance-sheet date.

Financial instruments are derecognised when the Company loses control over the contractual rights constituting the given financial instrument; that usually happens when an instrument is sold or when all the cash flows attributable to the instrument are transferred onto an independent third party.

Acquisition and sale of financial instruments are recognised as at the transaction date. Upon initial recognition, the instruments are measured at acquisition cost, i.e. at fair value including the transaction costs.

5) Impairment of financial instruments

As at each balance-sheet date the Company evaluates whether there is objective evidence of impairment of a financial instrument or a group of financial instruments.

6) Prepayments and accrued income

Current

Costs which are incurred in the current reporting period but which relate to future periods are disclosed under current prepayments and accrued income and other prepayments and accrued income, which include non-invoiced revenues that are not receivables as the balance-sheet date but will be invoiced within 12 months as from the balance-sheet date.

Non-current

Non-current prepayments and accrued income consist of deferred tax assets and other prepayments and accrued income, which include non-invoiced revenues that are not receivables as the balance-sheet date and will be invoiced in more than 12 months as from the balance-sheet date.

Deferred tax assets

Deferred tax assets are recognised in relation to all deductible temporary differences, unused tax credits, and unused tax losses brought forward, to the extent that it is probable that future taxable profits will be available against which the differences, credits and losses can be utilised, and except for the situation where a deferred tax asset related to deductible temporary differences arises from the initial recognition

of an asset or liability in connection with a transaction which is not a business combination, and, at the time of the transaction, affects neither the accounting profit nor taxable profit (tax loss).

7) Liabilities

a) Current liabilities

Current liabilities are liabilities which are payable within 12 months as from the balance-sheet date. Current liabilities include all liabilities to clients, liabilities to related undertakings, liabilities to brokerage offices, other brokerage houses and commodity brokerage houses under executed transactions, liabilities to the National Depository for Securities and exchange clearing houses and liabilities to entities operating regulated securities markets, as well as all other liabilities not classified as non-current liabilities, accruals and deferred income or provisions for liabilities.

Liabilities are measured at amounts payable.

The recognition of current liabilities under executed transactions is discussed in item 3a) above.

b) Non-current liabilities

Non-current liabilities are those whose payment date falls more than 12 months as from the balance-sheet date.

The following are disclosed under non-current liabilities:

- bank loans
- borrowings
- debt securities
- liabilities under other financial instruments
- finance lease liabilities

8) Provisions and accruals and deferred income

Accruals and deferred income

Expenses attributable to a given period but not yet incurred are recognised as accruals and charged to other current provisions.

Provisions include:

- a) deferred tax liabilities
- b) other provisions

Deferred tax liabilities

Deferred tax liabilities are recognised in relation to all taxable temporary differences, except to the extent that a deferred tax liability arises from the initial recognition of goodwill or initial recognition of an asset or liability in connection with a transaction which is not a business combination, and, at the time of the transaction, affects neither the accounting profit nor taxable profit (tax loss).

Other provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is certain or highly probable that an outflow of economic benefits will be required to settle the obligation. In the balance sheet, other provisions are further classified into non-current and current. Provisions are classified as non-current or current depending on when a given item will become an actual liability (whether within 12 months or more than 12 months as from the balance-sheet date).

9) Equity

Equity is made up of:

- share capital
- reserve funds
- revaluation capital reserve
- retained earnings (deficit)
- net profit (loss)

Equity is carried at nominal value, broken down into the individual components, which are established in accordance with the rules set forth in the applicable laws and in the Company's Articles of Association.

Share capital is recognised in the amount specified in the Company's Articles of Association and in the relevant National Court Register entry.

Reserve funds are created pursuant to the provisions of the Commercial Companies Code. Reserve funds include retained earnings (which were retained by the Company on the basis of a resolution of the shareholders) and capital representing an excess of the acquisition price paid for a company or its organised part over the par value of its shares (share premium account).

Revaluation capital reserve comprises:

- capital reserve from revaluation of property, plant and equipment (made under other regulations)
- capital reserve from revaluation of non-current investments

Retained earnings (deficit) comprise undistributed profit or uncovered loss brought forward.

Net profit (loss) comprises current year's net profit or loss.

Pursuant to the Minister of Finance's Regulation on the scope and detailed rules for determination of capital requirements and on maximum ratio of loans and debt securities in issue to capital, the Company is required to compute its supervised capital. The Company's supervised capital is computed as the sum of Tier 1 (core) capital and Tier 2 (supplementary) capital, less the value of shares of banks, other brokerage houses, foreign investment firms, credit and financial institutions, as well as subordinated loans granted to such institutions, which are included in their respective capitals.

Core capital established for the purpose of computing supervisory capital, comprises:

- share capital and reserve funds
- other capital reserves
- other items of core capital, i.e. retained earnings and current period's profit (loss)
- items reducing core capital, i.e. called-up share capital not paid, treasury shares held by the brokerage house (valued at acquisition cost, less impairment charges), goodwill, intangible assets other than goodwill, retained deficit (including retained deficit pending approval) and loss for the current period

Tier 2 (supplementary) capital of the brokerage house comprises:

- revaluation capital reserve created under other regulations
- subordinated liabilities with original terms to maturity of five years or more, in the amount which is reduced at the end of each of the last five years of the agreement term by 20%
- liabilities under securities with unspecified maturity and other financial instruments with unspecified maturity

10) Recognition of revenue

Revenue is recognised to the extent it is probable that the Company will obtain reliably measurable economic benefits.

11) Accrual basis and matching principle

In determining its net profit (loss), the Company takes into account all generated revenues and incurred related expenses attributable to a given period, irrespective of the date of payment. In order to match revenues to related expenses, expenses or revenues relating to future periods and expenses attributable to a given month which have yet to be incurred are posted under assets or liabilities, as applicable, of that month. This means that expenses are accounted for on an accrual basis. Expenses not yet incurred in a given period are covered by provisions.

12) Rules for computing net profit (loss)

Components of net profit (loss)

Appendix 1 to the Regulation of the Minister of Finance of December 18th 2001 on special accounting rules for brokerage houses and organisational units of banks which conduct brokerage activity (Dz. U. of 2001, No. 153, item 1753) states that net profit (loss) is to be computed taking into account:

- profit (loss) on brokerage activity
- operating profit (loss)
- profit (loss) before extraordinary items
- extraordinary gains (losses)
- mandatory decrease of net profit (increase of net loss) on account of corporate income tax and equivalent charges

Method of computing profit (loss) on brokerage activity

Profit (loss) on brokerage activity is equal to the difference between revenue from brokerage activities, including:

- commissions:
 - a) on transactions in securities executed in own name but for the account of customer
 - b) on offering of securities
 - c) on acceptance of subscription and redemption orders for investment fund units
 - d) other,
- other revenue:
 - a) from keeping of clients' securities accounts and cash accounts
 - b) from offering of securities
 - c) from keeping registers of securities buyers
 - d) from discretionary management of securities portfolio
 - e) from professional advisory services in the area of securities trading
 - f) from representing brokerage offices and houses on regulated securities markets and commodity exchanges
 - g) other

and costs of brokerage activities, including costs incurred to generate revenue from the Company's operations. Costs are recorded by type in Segment 4 of the Company's chart of accounts ("Costs by type and their settlement"). Costs of brokerage activities include:

- costs related to affiliation
- fees payable to regulated securities markets, commodity exchanges, the National Depository for Securities and exchange clearing houses
- fees payable to commercial chamber
- salaries and wages
- social security
- employee benefits
- materials and energy used
- costs of maintenance and lease of buildings
- other costs by type
- depreciation and amortisation
- taxes and other public charges
- commissions and other fees
- other

Revenue denominated in foreign currencies is translated into the zloty using the mid-exchange rate quoted by the National Bank of Poland for the day on which it was earned.

Method of computing operating profit (loss)

Operating profit (loss) comprises profit (loss) on brokerage activity, adjusted for:

- gain (loss) on transactions in financial instruments held for trading
- gain (loss) on transactions in financial instruments held to maturity
- gain (loss) on transactions in financial instruments available for sale
- other operating income
- other operating expenses
- difference between provisions and impairment charges for receivables

Other operating income and expenses are income and expenses which are indirectly related to the Company's operating activities, and in particular to:

- a) provisions created or released
- b) disposal of property, plant and equipment and intangible assets
- c) impairment charges for property, plant and equipment and intangible assets
- d) compensations, penalties and fines
- e) free-of-charge transfer or receipt, including by way of donation, of assets (including cash) for purposes other than acquisition or production of intangible assets
- f) other

Method of computing profit (loss) before extraordinary items

Profit (loss) before extraordinary items comprises operating profit (loss), adjusted for:

- financial income
- financial expenses

The Company's financial income includes interest on investments and deposits, interest on loans advanced, other interest and foreign-exchange gains. Interest income is recognised in the income statement as it accrues.

The Company classifies as financial expenses in particular: borrowing costs, interest on loans and borrowings, other interest, foreign-exchange losses and financial losses on executed transactions.

Method of computing pre-tax profit (loss)

Pre-tax profit (loss) comprises profit (loss) before extraordinary items, adjusted for extraordinary gains and losses.

Extraordinary gains and losses are identified by the Company based on the rules provided for in Art.3.1.33 of the Accountancy Act. Extraordinary gains and losses are gains and losses arising from events which are difficult to predict, fall outside the Company's operating activities, and are not related to its general business risk.

Method of computing net profit (loss)

Net profit (loss) comprises pre-tax profit (loss) mandatorily decreased (increased) on account of corporate income tax and equivalent charges.

Corporate income tax

Corporate income tax, which affects the amount of net profit (loss) for a given reporting period, comprises:

- a) a current portion
- b) a deferred portion

Current income tax

Current income tax payable and receivable for the current period and for previous periods is measured at the amount of the expected payment due to the tax authorities (expected refunds from the tax authorities), with the use of tax rates and based on fiscal regulations legally or effectively binding as at the balance-sheet date.

Deferred income tax

For the purposes of financial reporting, deferred tax is calculated using the balance-sheet liabilities method with respect to all temporary differences recorded as at the balance-sheet date between the value of assets and liabilities computed for tax purposes and their carrying amount disclosed in the financial statements. The deferred portion of income tax disclosed in the income statement is equal to the difference between deferred tax liabilities and assets as at the end and beginning of a given period.

Net profit (loss) computed in the manner described above is disclosed in the financial statements in the income statement by nature.

13) Cash-flow statement

The cash-flow statement is prepared using the indirect method.

14) *Selected items of the financial statements translated into the euro*

In the period covered by the historical financial information, the PLN/EUR exchange rate was as follows:

Period	Average*	Minimum	Maximum	End of period
January 1st – December 31st 2005	4.0233	3.8223	4.2756	3.8598
January 1st – December 31st 2006	3.8991	3.7565	4.1065	3.8312
January 1st – December 31st 2007	3.7768	3.5699	3.9385	3.5820
January 1st – June 30th 2007	3.8486	3.7465	3.9385	3.6267
January 1st – June 30th 2008	3.4776	3.2026	3.9262	3.6330

*The average exchange rate is calculated as the arithmetic mean of mid-exchange rates quoted by the National Bank of Poland for the last day of each month in the given period; source: National Bank of Poland (NBP).

Assets and equity and liabilities disclosed in the balance sheet were translated at the mid-exchange rates quoted by the National Bank of Poland for the last day of the respective periods.

ASSETS (EUR '000)	Dec 31 2005	Dec 31 2006	Dec 31 2007	Jun 30 2008
Cash and cash equivalents	172	2,212	8,965	9,571
Current receivables	1	63,116	73,684	72,669
Financial instruments held for trading	-	3	1,271	1,244
Current prepayments and accrued income	-	4	182	177
Financial instruments held to maturity	-	-	-	-
Financial instruments available for sale	-	-	754	991
Non-current receivables	-	-	-	-
Non-current loans advanced	-	-	-	-
Intangible assets	-	190	172	284
Property, plant and equipment	-	335	357	345
Non-current prepayments and accrued income	1	14	343	64
TOTAL ASSETS	173	65,874	85,727	85,345

EQUITY AND LIABILITIES (EUR '000)	Dec 31 2005	Dec 31 2006	Dec 31 2007	Jun 30 2008
Current liabilities	-	62,099	72,030	73,524
Non-current liabilities	-	-	-	-
Accruals and deferred income	-	-	-	-
Provisions for liabilities	-	61	1,725	465
Subordinated liabilities	-	-	-	-
Equity	-	3,715	11,972	11,356
TOTAL EQUITY AND LIABILITIES	-	65,874	85,727	85,345

Items of the income statement and the cash-flow statement were translated at the exchange rates representing the arithmetic mean of the mid-exchange rates quoted by the National Bank of Poland for the last day of each month in the given period.

Income Statement (EUR '000)	2005	2006	2007	Jan - Jun 2007	Jan - Jun 2008
Total revenue	0	2,663	21,414	10,444	8,192
Operating costs	16	1,181	10,598	4,787	4,451
Profit (loss) on core business	-16	1,483	10,816	5,656	3,741
Gain (loss) on transactions in financial instruments held for trading	-	-27	-380	-168	-673
Other operating income	-	-	5	1	6
Other operating expenses	-	3	31	17	6
Difference between provisions and impairment charges for receivables	-	-	-59	-	-69
Operating profit (loss)	-16	1,452	10,351	5,472	3,000
Financial income	5	44	435	243	451

Financial expenses	-	137	1,372	882	387
Profit (loss) before extraordinary items	-11	1,359	9,414	4,833	3,064
Extraordinary gains	-	-	-	-	-
Pre-tax profit (loss)	-11	1,359	9,414	4,833	3,064
Corporate income tax	0	265	1,827	1,155	657
Net profit (loss)	-11	1,095	7,587	3,677	2,407

Cash-Flow Statement (EUR '000)	2005	2006	2007	Jan - Jun 2007	Jan - Jun 2008
Net cash provided by (used in) operating activities	-9	-320	5,702	2,651	2,137
Net cash provided by (used in) investing activities	-	-576	-915	-104	-538
Net cash provided by (used in) financing activities	174	2,899	1,471	-524	-835
Total net cash flows	165	2,004	6,258	2,023	765

To effect the translation, amounts expressed in thousands of zloty were divided by the applicable exchange rate specified above.

15) Differences in the disclosed values and material differences in the adopted accounting policies between the Polish Accounting Standards (PAS) and the International Financial Reporting Standards ("IFRS")

In the periods covered by the historical financial information, the Company did not prepare financial reports in accordance with the International Financial Reporting Standards. Net profit (loss) and some balance-sheet items would differ from the figures which would have been disclosed in financial statements prepared under IFRS. The method of presentation of the financial statements and the scope of disclosure could also be different.

In line with the recommendations provided for in the Regulation of the Minister of Finance of October 18th 2005 on the scope of information to be disclosed in the financial statements and consolidated financial statements required to be included in prospectuses of issuers which have their registered offices in the Republic of Poland and to which Polish accounting standards apply (Dz.U. 2005 No. 209, item 1743), the Issuer lists below the differences between the PAS and the IFRS. The differences were determined to the best of the Management Board's knowledge and based on the Management Board's estimates with respect to the rules and interpretations which the Management Board believes will be applied if accounting policies compliant with the international standards are adopted in the future.

It should also be noted that if IFRS-compliant accounting policies are applied in the future in the preparation of the Company's financial statements, the opening balance of the first financial statements prepared in accordance with the IFRS will require additional adjustments which are not listed in this note.

The main differences between the accounting policies adopted by the Company and the International Financial Reporting Standards are related to the following:

- disclosure of shares held in an unconsolidated subsidiary undertaking, IPOPEMA TFI
- expensing the costs of agreements related to Stock Options for the Management Board members and key personnel (Stock Options Agreements) and the Incentive Scheme (see Section 19.2 of this Prospectus)

IPOPEMA TFI shares

In accordance with the Polish Accounting Standards, the Company discloses the shares it holds in its subsidiary undertaking, IPOPEMA TFI, as assets under "Financial instruments available for sale", and values them at acquisition cost.

If the Company's financial statements were prepared in accordance with the International Financial Reporting Standards, the shares in IPOPEMA TFI would be classified as shares in subordinated undertakings and disclosed at acquisition cost (in accordance with IAS 28).

The difference in the classification of these assets would have no effect on the balance-sheet total or net profit (loss) of the Company.

Stock Option Agreements

In accordance with the Polish Accounting Standards, the costs related to the Stock Option Agreements are not disclosed in the financial statements. If the International Financial Reporting standards were applied, the costs of the agreements would have to be taken into account in the determination of net profit (loss) in the reporting periods ended December 31st 2006, December 31st 2007 and June 30th 2008. However, despite exercising due professional care, as at this Prospectus approval date the Company is not able to precisely determine the effect of the above costs on the historical financial performance.

IPOPEMA Securities S.A. – Balance Sheet
(2005-2007 and H1 2008)

ASSETS (PLN '000)	Note	Dec 31 2005	Dec 31 2006	Dec 31 2007	Jun 30 2008
I. Cash and cash equivalents	1	663	8,476	32,112	34,771
1. Cash in hand		2	1	6	1
2. Cash at banks		-	190	13,482	10,125
3. Other cash		661	8,285	18,624	24,645
4. Cash equivalents		-	-	-	-
II. Current receivables	2	4	241,810	263,936	264,006
1. From clients		-	147,438	131,151	114,642
2. From related undertakings		-	-	1,096	954
3. From brokerage offices, other brokerage houses and commodity brokerage houses		-	89,058	119,722	143,378
a) under executed transactions		-	89,058	119,722	143,378
b) other		-	-	-	-
4. From entities operating regulated securities markets and commodity exchanges		-	-	-	-
5. From the National Depository for Securities and exchange clearing houses		-	5,041	7,591	4,687
6. From investment and pension fund companies and from investment and pension funds		-	-	-	-
7. From issuers of securities or selling shareholders		-	-	-	-
8. From commercial chamber		-	-	-	-
9. Taxes, subsidies and social security receivable		4	-	621	180
10. Receivables under court proceedings for which no impairment charges were recognised		-	-	-	-
11. Under framework securities lending and short sale agreements		-	-	-	-
12. Other		-	273	3,755	165
III. Financial instruments held for trading	3	-	10	4,553	4,519
1. Equities		-	10	4,553	4,519
2. Debt securities		-	-	-	-
3. Investment certificates		-	-	-	-
4. Warrants		-	-	-	-
5. Other securities		-	-	-	-
6. Derivatives		-	-	-	-
7. Commodities		-	-	-	-
8. Other		-	-	-	-
IV. Current prepayments and accrued income	4	-	16	652	642
V. Financial instruments held to maturity	5	-	-	-	-
1. Debt securities		-	-	-	-
2. Other securities		-	-	-	-
3. Commodities		-	-	-	-
4. Other		-	-	-	-
VI. Financial instruments available for sale	6	-	-	2,700	3,600
1. Shares and other equity interests		-	-	2,700	3,000
a) in parent undertaking		-	-	-	-
b) in significant investor		-	-	-	-
c) in subordinated undertakings		-	-	2,700	3,000
d) other		-	-	-	-
2. Debt securities		-	-	-	-
3. Investment fund units		-	-	-	-
4. Investment certificates		-	-	-	600
5. Other securities		-	-	-	-

6. Commodities		-	-	-	-
7. Other		-	-	-	-
VII. Non-current receivables	7	-	-	-	-
VIII. Non-current loans advanced	8	-	-	-	-
IX. Intangible assets	9	-	727	615	1,032
1. Goodwill	10	-	-	-	-
2. Acquired permits, patents, licences and similar assets, including:		-	727	615	1,032
- computer software		-	727	615	1,032
3. Other intangible assets		-	-	-	-
4. Prepayments for intangible assets		-	-	-	-
X. Property, plant and equipment	11	-	1,285	1,280	1,254
1. Tangible assets, including:		-	1,285	1,280	1,254
a) land (incl. perpetual usufruct rights)		-	-	-	-
b) buildings and other premises		-	-	-	-
c) computer sets		-	834	798	802
d) other tangible assets		-	451	482	452
2. Tangible assets under construction		-	-	-	-
3. Prepayments for tangible assets under construction		-	-	-	-
XI. Non-current prepayments and accrued income	12	2	53	1,227	233
1. Deferred tax assets		2	53	1,227	233
2. Other prepayments and accrued income		-	-	-	-
TOTAL ASSETS		669	252,377	307,075	310,057

IPOPEMA Securities S.A. – Balance Sheet

(2005-2007 and H1 2008)

	EQUITY AND LIABILITIES (PLN '000)	Note	Dec 31 2005	Dec 31 2006	Dec 31 2007	Jun 30 2008
I. Current liabilities		13	2	237,912	258,012	267,111
1. To clients			-	87,831	122,063	138,526
2. To related undertakings			1	12	18	-
3. To brokerage offices, other brokerage houses and commodity brokerage houses			-	146,279	125,425	110,963
a) under executed transactions			-	146,269	125,425	110,963
b) other			-	10	-	-
4. To entities operating regulated securities markets and commodity exchanges			-	-	-	506
5. To the National Depository for Securities and exchange clearing houses			-	-	-	123
6. To commercial chamber			-	-	-	-
7. To issuers of securities or selling shareholders			-	-	-	-
8. Loans and borrowings			-	2,017	7,571	4,667
a) from related undertakings			-	-	-	-
b) other			-	2,017	7,571	4,667
9. Debt securities			-	-	-	-
10. Liabilities under promissory notes			-	-	-	-
11. Taxes, customs duties and social security payable			1	933	602	278
12. Salaries and wages payable			-	-	-	-
13. To investment and pension fund companies and to investment and pension funds			-	-	-	-
14. Under framework securities lending and short sale agreements			-	-	-	-
15. Special accounts			-	-	-	-
16. Other			-	840	2,333	12,048
II. Non-current liabilities		14	-	-	-	-
III. Accruals and deferred income		15	-	-	-	-
1. Negative goodwill			-	-	-	-
2. Other accruals and deferred income			-	-	-	-
IV. Provisions for liabilities		16	10	234	6,179	1,691
1. Deferred tax liabilities			-	-	-	-
2. Retirement and similar benefits			-	-	-	-
3. Other			10	234	6,179	1,691
a) non-current			-	-	-	-
b) current			10	234	6,179	1,691
V. Subordinated liabilities		17	-	-	-	-
VI. Equity			657	14,231	42,884	41,255
1. Share capital		18	700	2,857	2,857	2,857
2. Called-up share capital not paid (negative value)			-	-	-	-
3. Own shares (negative value)		19	-	-	-	-
4. Reserve funds		20	-	7,149	11,374	30,027
a) Share premium account			-	7,149	7,148	7,148
b) created pursuant to statutory provisions			-	-	952	952
c) created pursuant to the Articles of Association			-	-	3,274	21,927
d) created from additional contributions to equity			-	-	-	-
e) other			-	-	-	-
5. Revaluation capital reserve		21	-	-	-	-
6. Other capital reserves		22	-	-	-	-
7. Retained earnings (deficit)			-	-43	-	-

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8. Net profit (loss)		-43	4,268	28,653	8,371
9. Distributions from net profit in financial year (negative value)	23	-	-	-	-
TOTAL EQUITY AND LIABILITIES		669	252,377	307,075	310,057

Book value of equity (PLN '000)		657	14,231	42,884	41,255
Number of shares outstanding		700,000	2,857,141	2,857,141	28,571,410
Book value per share (PLN)		0.94	4.98	15.01	1.44
Diluted number of shares outstanding		700,000	2,857,141	2,857,141	28,571,410
Diluted book value per share (PLN)		0.94	4.98	15.01	1.44

IPOPEMA Securities S.A. – Off-Balance-Sheet Items

(2005-2007 and H1 2008)

OFF-BALANCE-SHEET ITEMS	Note	Dec 31 2005	Dec 31 2006	Dec 31 2007	Jun 30 2008
I. Securities of clients		-	-	-	-
II. Contingent liabilities, including:		-	-	-	-
1. guarantees		-	-	-	-
2. security deposits, sureties		-	-	-	-
3. other		-	-	-	-
III. Third-party assets used		-	-	-	-
IV. Derivatives bought or written in the name and for the account of brokerage house		-	-	-	-

IPOPEMA Securities S.A. – Income Statement
(2005-2007 and H1 2008)

	(PLN '000)	Note	2005	2006	2007	Jan - Jun 2007	Jan - Jun 2008
I. Revenue from brokerage activities, including:			-	10,385	80,877	40,194	28,489
from related undertakings			-	-	2,405	9	-
1. Commissions	27		-	9,942	71,916	37,526	27,345
a) on transactions in securities executed in own name but for the account of customer			-	8,007	63,045	30,416	27,244
b) on offering of securities			-	1,618	8,871	7,110	-
c) on acceptance of subscription and redemption orders for investment fund units			-	-	-	-	-
d) Other			-	317	-	-	101
2. Other revenue	28		-	443	8,961	2,668	1,144
a) from keeping of clients' securities accounts and cash accounts			-	-	-	-	-
b) from offering of securities			-	-	1,218	567	505
c) from keeping registers of securities buyers			-	-	-	-	-
d) from discretionary management of securities portfolio			-	-	-	-	-
e) from professional advisory services in the area of securities trading			-	-	517	64	107
f) from representing brokerage offices and houses on regulated securities markets and commodity exchanges			-	-	-	-	-
g) other			-	443	7,226	2,037	532
II. Costs of brokerage activities, including:	29		64	4,604	40,028	18,425	15,479
from related undertakings			-	18	1,062	795	27
1. Affiliation			-	-	-	-	-
2. Fees payable to regulated securities markets, commodity exchanges, the National Depository for Securities and exchange clearing houses			-	1,535	12,803	6,511	4,789
3. Fees payable to commercial chamber			-	-	-	-	-
4. Salaries and wages			20	1,479	18,762	8,294	7,222
5. Social security			3	91	1,211	406	414
6. Employee benefits			-	29	92	48	67
7. Materials and energy used			-	66	235	104	80
8. Costs of maintenance and lease of buildings			7	159	569	273	276
9. Other costs by type			-	-	-	-	-
10. Depreciation and amortisation			-	233	871	396	581
11. Taxes and other public charges			21	212	1,012	668	405
12. Commissions and other fees			-	-	-	-	-
13. Other			13	800	4,473	1,725	1,645
III. Profit (loss) on brokerage activity (-II)			-64	5,781	40,849	21,769	13,010
IV. Income from financial instruments held for trading	30		-	-	64	33	80
1. Dividends and other distributions from profit			-	-	-	-	28
2. Interest			-	-	-	-	-
3. Valuation adjustments			-	-	-	-	-
4. Gain on sale/redemption			-	-	64	33	52
5. Other			-	-	-	-	-
V. Costs related to financial instruments held for trading	31		-	107	1,499	680	2,421
1. Valuation adjustments			-	-	-	-	-
2. Loss on sale/redemption			-	107	1,325	680	2,163
3. Other			-	-	174	-	258
VI. Gain (loss) on transactions in financial instruments held for trading (IV-V)			-	-107	-1,435	-647	-2,341
VII. Income from financial instruments held to maturity	32		-	-	-	-	-

VIII. Costs related to financial instruments held to maturity	33	-	-	-	-	-
IX. Gain (loss) on transactions in financial instruments held to maturity (VII-VIII)		-	-	-	-	-
X. Income from financial instruments available for sale	34	-	-	-	-	-
XI. Costs related to financial instruments available for sale	35	-	-	-	-	-
XII. Gain (loss) on transactions in financial instruments available for sale (X-XI)	36	-	-	-	-	-
XIII. Other operating income	37	-	-	17	3	22
1. Gain on sale of property, plant and equipment, and intangible assets		-	-	-	-	-
2. Subsidies		-	-	-	-	-
3. Other		-	-	17	3	22
XIV. Other operating expenses	38	-	12	117	67	20
1. Loss on sale of property, plant and equipment, and intangible assets		-	-	-	-	-
2. Impairment charges for property, plant and equipment, and intangible assets		-	-	-	-	-
3. Other		-	12	117	67	20
XV. Difference between provisions and impairment charges for receivables	39	-	-	-221	-	-239
1. Provisions released		-	-	-	-	-
2. Provisions created		-	-	-	-	-
3. Reversal of impairment charges for receivables		-	-	-	-	44
4. Recognition of impairment charges for receivables		-	-	221	-	283
XVI. Operating profit (loss) (III+VI+IX+XII+XIII-XIV+XV)		-64	5,662	39,093	21,058	10,432
XVII. Financial income	40	19	173	1,643	934	1,569
1. Interest on loans advanced, including:		-	-	-	-	-
- from related undertakings		-	-	-	-	-
2. Interest on investments and deposits		19	173	1,597	888	1,251
- from related undertakings		-	-	-	-	-
3. Other interest		-	-	-	-	1
4. Foreign-exchange gains		-	-	-	-	35
a) realised		-	-	-	-	-
b) unrealised		-	-	-	-	35
5. Other		-	-	46	46	282
XVIII. Financial expenses	41	-	535	5,181	3,393	1,346
1. Interest on loans and borrowings, including:		-	224	1,675	1,496	503
- to related undertakings		-	-	469	-	-
2. Other interest		-	-	8	7	-
3. Foreign-exchange losses		-	-	120	3	5
a) realised		-	-	10	3	5
b) unrealised		-	-	110	-	-
4. Other		-	311	3,378	1,887	838
XIX. Profit (loss) before extraordinary items (XVI+XVII-XVIII)		-45	5,300	35,555	18,599	10,655
XX. Extraordinary gains	42	-	-	-	-	-
XXI. Extraordinary losses	43	-	-	-	-	-
XXII. Write-off of goodwill related to subordinated undertakings		-	-	-	-	-
XXIII. Write-off of negative goodwill related to subordinated undertakings		-	-	-	-	-
XXIV. Pre-tax profit (loss) (XIX+XX-XXI-XXII+XXIII)		-45	5,300	35,555	18,599	10,655
XXV. Corporate income tax	44	-2	1,032	6,902	4,446	2,284
1. Current		-	1,082	8,076	4,396	1,290
2. Deferred		-2	-50	-1,174	50	994
XXVI. Other mandatory decrease of profit (increase of loss)	45	-	-	-	-	-

XXVII. Share in net profit (loss) of subordinated undertakings valued with equity method	-	-	-	-	-	-
XXVIII. (Profit) loss attributable to minority interests	-	-	-	-	-	-
XXIX. Net profit (loss) (XXIV-XXV-XXVI+XXVII+/-XXVIII)	46	-43	4,268	28,653	14,153	8,371

Net earnings per share (annualised)	2005	2006	2007	Jan-Jun 2007	Jan-Jun 2008
Net profit (annualised)	-43	4,268	28,653	17,600	22,871
Weighted average number of ordinary shares	700,000	829,194	2,857,141	2,857,141	2,857,141
Earnings (loss) per ordinary share (PLN)	-0.06	5.15	10.03	6.16	8.00
Diluted weighted average number of ordinary shares	700,000	829,194	2,857,141	2,857,141	2,857,141
Diluted earnings (loss) per ordinary share (PLN)	-0.06	5.15	10.03	6.16	8.00

**Annualised net profit for H1 2007 includes net profit earned in the period July 1st 2006 – June 30th 2007; annualised net profit for H1 2008 includes net profit earned in the period July 1st 2007 – June 30th 2008.*

***For detailed method of calculating the weighted average number of ordinary shares in 2006, refer to Note 47.*

IPOPEMA Securities S.A. – Cash-Flow Statement
(2005-2007 and H1 2008)

(PLN '000)	Note	2005	2006	2007	Jan-Jun 2007	Jan-Jun 2008
A. CASH FLOWS FROM OPERATING ACTIVITIES						
I. Net profit (loss)		-43	4,268	28,653	14,153	8,371
II. Total adjustments		6	-5,532	-7,117	-3,950	-938
1. Profit (loss) attributable to minority interests		-	-	-	-	-
2. Share in net (profit) loss of subordinated undertakings valued with equity method		-	-	-	-	-
3. Amortisation/depreciation, including:	29	-	233	871	396	581
– write-off of goodwill related to subordinated undertakings or negative goodwill related to subordinated undertakings		-	-	-	-	-
4. Foreign-exchange gains (losses)		-	-	-	-	-
5. Interest and dividends		-	-	-	-	-
6. Profit (loss) on investment activities		-	-	-	-	-
7. Change in provisions and in impairment charges for receivables		10	174	5,944	4,393	-3,494
8. Change in financial instruments held for trading		-	-10	-4,543	-990	33
9. Change in receivables		-4	-241,806	-22,126	-413,260	-241,855
10. Change in current liabilities (net of loans and borrowings), including special accounts		2	235,893	14,547	405,558	243,787
11. Change in accruals and deferrals		-2	-16	-1,810	-50	10
12. Other adjustments		-	-	-	3	-
III. Net cash provided by (used in) operating activities (I+II)		-37	-1,264	21,536	10,203	7,433
B. CASH FLOWS FROM INVESTING ACTIVITIES						
I. Cash provided by investing activities		-	-	-	-	-
1. Disposal of intangible assets		-	-	-	-	-
2. Disposal of property, plant and equipment		-	-	-	-	-
3. Cash provided by financial instruments held to maturity and available for sale		-	-	-	-	-
4. Other		-	-	-	-	-
II. Cash used in investing activities		-	2,245	3,454	401	1,871
1. Acquisition of intangible assets	9	-	807	368	165	775
2. Acquisition of property, plant and equipment	11	-	1,438	386	236	196
3. Cash used on financial instruments held to maturity and available for sale		-	-	2,700	-	900
a) in subordinated undertakings		-	-	-	-	900
b) in other undertakings		-	-	-	-	-
4. Dividends and other distributions from profit to minority interests		-	-	-	-	-
5. Other cash used in investing activities		-	-	-	-	-
III. Net cash provided by (used in) investing activities (I+II)		-	-2,245	-3,454	-401	-1,871
C. CASH FLOWS FROM FINANCING ACTIVITIES						
I. Cash provided by financing activities		700	11,322	7,571	-	-
1. Increase in non-current loans and borrowings		-	-	-	-	-
2. Issue of long-term debt securities		-	-	-	-	-
3. Increase in current loans and borrowings		-	2,017	7,571	-	-
4. Issue of short-term debt securities		-	-	-	-	-
5. Increase in subordinated liabilities		-	-	-	-	-
6. Proceeds from issue of own shares		700	9,305	-	-	-
7. Additional contributions to equity		-	-	-	-	-
8. Other cash provided by financing activities		-	-	-	-	-
II. Cash used in financing activities		-	-	2,017	2,017	2,903
1. Repayment of non-current loans and borrowings		-	-	-	-	-
2. Redemption of long-term debt securities		-	-	-	-	-

3. Repayment of current loans and borrowings	-	-	2,017	2,017	2,903
4. Redemption of short-term debt securities	-	-	-	-	-
5. Repayment of subordinated liabilities	-	-	-	-	-
6. Cost of issue of own shares	-	-	-	-	-
7. Buy-back of own shares	-	-	-	-	-
8. Dividends and other distributions to shareholders	-	-	-	-	-
9. Distributions from profit to management and supervisory staff	-	-	-	-	-
10. Charitable distributions	-	-	-	-	-
11. Repayment of finance lease liabilities	-	-	-	-	-
12. Interest paid	-	-	-	-	-
13. Other cash used in financing activities	-	-	-	-	-
III. Net cash provided by (used in) financing activities (I+II)	700	11,322	5,554	-2,017	-2,903
D. TOTAL NET CASH FLOWS (A.III +/- B.III +/- C.III)	663	7,813	23,636	7,785	2,659
E. BALANCE-SHEET CHANGE IN CASH	663	7,813	23,636	7,785	2,659
F. CASH AT BEGINNING OF PERIOD	-	663	8,476	8,476	32,112
G. CASH AT END OF PERIOD (F +/- D)	1	663	8,476	16,261	34,771

IPOPEMA Securities S.A. – Statement of Changes in Equity
(2005-2007 and H1 2008)

(PLN '000)	2005	2006	2007	Jan-Jun 2007	Jan-Jun 2008
I. BALANCE OF EQUITY AT BEGINNING OF PERIOD	-	700	14,231	14,231	42,884
– changes in accounting policies	-	-	-	-	-
– correction of fundamental errors	-	-	-	-	-
Ia. EQUITY AT BEGINNING OF PERIOD, AFTER ADJUSTMENTS	-	700	14,231	14,231	42,884
1. Equity at beginning of period	-	700	2,857	2,857	2,857
1.1. Changes in equity	700	2,157	-	-	-
a) increase, including	700	2,157	-	-	-
– issue of shares	700	2,157	-	-	-
b) decrease	-	-	-	-	-
1.2. Equity at end of period	700	2,857	2,857	2,857	2,857
2. Called-up share capital not paid at beginning of period	-	-	-	-	-
2.1. Changes in called-up share capital not paid	-	-	-	-	-
2.2. Called-up share capital not paid at end of period	-	-	-	-	-
3. Treasury shares at beginning of period	-	-	-	-	-
3.1. Treasury shares at end of period	-	-	-	-	-
4. Reserve funds at beginning of period	-	-	7,148	7,149	11,374
4.1 Changes in reserve funds	-	7,149	4,226	4,225	18,653
a) increase, including	-	7,149	4,226	4,225	18,653
– share premium account	-	7,149	-	-	-
– distribution of profit (statutory)	-	-	952	952	-
– distribution of profit (above statutory minimum)	-	-	3,274	3,274	18,653
– liquidation of tangible assets	-	-	-	-	-
b) decrease	-	-	-	-	-
4.2. Reserve funds at end of period	-	7,149	11,374	11,374	30,027
5. Revaluation capital reserve at beginning of period	-	-	-	-	-
5.1. Changes in revaluation capital reserve	-	-	-	-	-
a) increase	-	-	-	-	-
b) decrease	-	-	-	-	-
5.2. Revaluation capital reserve at end of period	-	-	-	-	-
6. Other capital reserves at beginning of period	-	-	-	-	-
6.1. Changes in other capital reserves	-	-	-	-	-
a) increase (distribution of profit)	-	-	-	-	-
b) decrease (coverage of receivables)	-	-	-	-	-
6.2. Other capital reserves at end of period	-	-	-	-	-
7. Retained earnings (deficit) at beginning of period	-	-	-	-	-
7.1. Retained earnings at beginning of period	-	-	-	-	-
– changes in accounting policies	-	-	-	-	-
– correction of fundamental errors	-	-	-	-	-
7.2. Retained earnings at beginning of period, after adjustments	-	-	-	-	-
a) increase	-	-	-	-	-
b) decrease	-	-	-	-	-
7.3. Retained earnings at end of period	-	-	-	-	-
7.4. Retained deficit at beginning of period	-	-	-43	-43	-
– changes in accounting policies	-	-	-	-	-
– correction of fundamental errors	-	-	-	-	-
7.5. Retained deficit at beginning of period, after adjustments	-	-	-43	-43	-

a) increase, including	-	-43	-	-	-
– transfer of retained deficit to be covered	-	-43	-	-	-
b) decrease, due to coverage of retained deficit	-	-	43	43	-
7.6. Retained deficit at end of period	-	-43	-	-	-
7.7. Retained earnings (deficit) at end of period	-	-	-	-	-
8. Net profit (loss)	-43	4,268	28,653	14,153	8,371
a) net profit	-	4,268	28,653	14,153	8,371
b) net loss	-43	-	-	-	-
c) distributions from profit	-	-	-	-	-
II BALANCE OF EQUITY AT END OF PERIOD	657	14,231	42,884	28,384	41,255
III. EQUITY AFTER PROPOSED DISTRIBUTION OF PROFIT (COVERAGE OF LOSS)	-	-	-	-	-

Notes to the Financial Statements

Changes to the Adopted Accounting Policies

In the periods covered by the historical financial information, there were no changes to the adopted accounting policies. However, there was a change to the presentation of receivables from and liabilities to clients' banks and receivables from and liabilities to brokerage offices, other brokerage houses and commodity brokerage houses under executed transactions. The change consisted in a shift from the presentation of the balance of receivables from and liabilities to these entities to the disclosure of full amounts of receivables and liabilities under executed transactions. The shift has resulted in a change to the balance-sheet total, but it has had no bearing on the net profit/(loss), being only a presentation change.

In the years 2005, 2006 and 2007, the amount posted as receivables from / liabilities to the clients' banks under executed transactions was the balance of receivables and liabilities relating to settlements with clients. The item was presented in the same manner as receivables from / liabilities to brokerage offices, other brokerage houses and commodity brokerage houses under executed transactions.

As liabilities to clients under executed share sale transactions were disclosed under the balance of receivables, the amount of liabilities to clients as disclosed under the Company's shareholders' equity and liabilities was PLN 0. Similarly, in connection with the disclosure of receivables from brokerage offices, other brokerage houses and commodity brokerage houses under executed share sale transactions under the balance of liabilities, the amount of receivables from brokerage offices, other brokerage houses and commodity brokerage houses under executed transactions as disclosed in the Company's assets was PLN 0.

Starting from 2008, the amounts of receivables from and liabilities to clients' banks under executed transactions and receivables from and liabilities to brokerage offices, other brokerage houses and commodity brokerage houses have been presented separately rather than on a net basis, as it was the case in 2007, 2006 and 2005.

The historical financial information contains financial information for the years 2005, 2006 and 2007 restated in accordance with the presentation rules adopted in 2008.

Significant Events Relating to Past Years and Disclosed in the Financial Statements for the Financial Year

In H1 2007, a provision for bonuses for 2006 was created (PLN 1,078,979 for the employees and PLN 300,000 for the Management Board Members).

Comparability of the Reported Data

The historical financial information was presented in a manner ensuring its comparability by applying uniform accounting policies in all the presented periods, consistent with the accounting policies applied by the Company.

In 2007, the Regulation of the Minister of Finance of December 27th 2007 on special accounting rules for brokerage houses and organisational units of banks which conduct brokerage activity (Dz. U. of 2007, No. 250, item 1871) came into force and superseded the Regulation of the Minister of Finance of December 18th 2001 on special accounting rules for brokerage houses and organisational units of banks which conduct brokerage activity (Dz. U. of 2001, No. 153, item 1753). The data contained in the historical financial information ensures data comparability.

Significant Events Subsequent to the Balance-Sheet Date not Included in the Financial Statements

All events relating to the reporting period were disclosed in the accounting books and financial statements for the period January 1st–June 30th 2008. No events occurred after the balance-sheet date which should have been disclosed in the accounting books for the reporting period but were not.

NOTES TO THE BALANCE SHEET

Note 1

Cash and cash equivalents	Dec 31 2005	Dec 31 2006	Dec 31 2007	Jun 30 2008
1.1. Cash and cash equivalents				
a) cash in hand	-	1	6	1
b) cash at banks	2	190	13,482	10,125
c) other cash	661	8,285	18,624	24,645
d) cash equivalents	-	-	-	-
Total cash and cash equivalents	663	8,476	32,112	34,771
1.2. Cash and cash equivalents (by currency)				
a) in Polish currency	663	8,476	32,111	34,770
b) in foreign currencies (by currency and restated in PLN)	-	-	1	1
Total cash and cash equivalents	663	8,476	32,112	34,771
1.3. Cash and cash equivalents of clients	-	-	-	-
With respect to "Cash and cash equivalents", the following amounts should be also stated:				
a) cash and cash equivalents of the brokerage house	663	8,476	32,112	34,771
b) cash and cash equivalents of clients deposited in cash accounts at the brokerage house and paid towards acquisition of securities in an IPO or on the primary market	-	-	-	-
c) cash and cash equivalents transferred from the settlement guarantee fund	-	-	-	-

Note 2

Current receivables	Dec 31 2005	Dec 31 2006	Dec 31 2007	Jun 30 2008
2.1. Current receivables				
a) from clients, including:	-	147,438	131,151	114,642
– receivables with deferred payment date				
– past due receivables and disputed claims, for which no impairment charges were recognised				
– from clients' banks under executed transactions	-	145,111	130,635	112,957
– other	-	2,327	516	1,685
b) from related undertakings	-	-	1,096	954
c) from brokerage offices, other brokerage houses and commodity brokerage houses	-	89,058	119,722	143,378
d) from entities operating regulated markets and commodity exchanges	-	-	-	-
e) from the National Depository for Securities and exchange clearing houses	-	5,041	7,591	4,687
– from the settlement guarantee fund	-	5,041	7,591	4,687
– from the compensation fund	-	-	-	-
– other	-	-	-	-
f) from investment and pension fund companies and from investment and pension funds	-	-	-	-
g) from issuers of securities or selling shareholders	-	-	-	-
h) from commercial chamber	-	-	-	-
i) taxes, subsidies and social security receivable	4	-	621	180
j) receivables under court proceedings for which no impairment charges were recognised	-	-	-	-
k) under framework securities lending and short sale agreements	-	-	-	-
l) other	-	273	3,755	165
Net current receivables	4	241,810	263,936	264,006
l) impairment charges for current receivables (positive amount)	-	-	221	459
Gross current receivables	4	241,810	264,157	264,465

2.2. Change in impairment charges for current receivables				
As at beginning of period	-	-	-	221
a) increase	-	-	221	282
b) decrease	-	-	-	44
Impairment charges for current receivables at end of period	-	-	221	459
2.3. Receivables from brokerage offices, other brokerage houses and commodity brokerage houses relating to:				
a) executed stock-exchange transactions (by stock exchanges):	-	89,058	119,722	143,378
– Warsaw Stock Exchange	-	89,058	119,722	143,378
b) executed OTC transactions	-	-	-	-
c) representation of other brokerage houses on regulated markets	-	-	-	-
d) affiliation	-	-	-	-
e) automatic loans contracted through the National Depository for Securities	-	-	-	-
f) other	-	-	-	-
Total receivables from brokerage offices, other brokerage houses and commodity brokerage houses	-	89,058	119,722	143,378
2.4. Current and non-current receivables by maturity as from the balance-sheet date				
a) up to 1 month	4	241,623	260,871	263,145
b) over 1 month to 3 months	-	-	-	-
c) over 3 months to 1 year	-	-	1,096	-
d) over 1 year to 5 years	-	-	-	-
e) over 5 years	-	-	-	-
f) past due	-	187	2,190	1,320
Total gross receivables	4	241,810	264,157	264,465
g) impairment charges for receivables (negative value)	-	-	221	459
Total net receivables	4	241,810	263,936	264,006
2.5. Gross past due receivables by period of delay:				
a) up to 1 month	-	105	1,205	21
b) over 1 month to 3 months	-	-	236	72
c) over 3 months to 1 year	-	82	673	987
d) over 1 year to 5 years	-	-	76	240
e) over 5 years	-	-	-	-
Total gross receivables	-	187	2,190	1,320
f) impairment charges for receivables (negative value)	-	-	221	459
Total net receivables	-	187	1,969	861
2.6. Receivables from clients				
a) under executed transactions	-	145,111	130,635	112,957
b) past due receivables and disputed claims not covered with valuation adjustments	-	-	-	-
c) other	-	2,327	516	1,685
Total receivables from clients	-	147,738	131,151	114,642
2.7. Gross current receivables by currency				
a) in Polish currency	4	241,810	264,157	263,511
b) in foreign currencies (by currency and restated in PLN)	-	-	-	954
Total gross current receivables	4	241,810	264,157	264,465

Note 3

Financial instruments held for trading	Dec 31 2005	Dec 31 2006	Dec 31 2007	Jun 30 2008
3.1. Financial instruments held for trading				
– equities	-	10	4,553	4,519
Total financial instruments held for trading	-	10	4,553	4,519

3.2. Financial instruments held for trading (by currency)				
a) in Polish currency	-	10	4,553	4,519
b) in foreign currencies (by currency and restated in PLN)	-	-	-	-
Total financial instruments held for trading	-	10	4,553	4,519
3.3. Financial instruments held for trading (by marketability)				
A. Freely marketable, listed (carrying amount)	-	10	4,553	4,519
– equities (carrying amount)	-	10	4,553	4,519
– equities (at acquisition cost)	-	-	4,727	4,777
B. Freely marketable, traded on OTC markets (carrying amount)	-	-	-	-
C. Freely marketable, not traded on regulated markets (carrying amount)	-	-	-	-
D. With limited marketability (carrying amount)	-	-	-	-
Total value at acquisition cost	-	10	4,727	4,777
Total value at beginning of period	-	10	10	4,553
Total valuation adjustments (for period)	-	-	-174	-258
Total carrying amount	-	10	4,553	4,519

The Company does not keep securities accounts for its clients.

Note 4

Current prepayments and accrued income	Dec 31 2005	Dec 31 2006	Dec 31 2007	Jun 30 2008
a) prepayments, including:	-	16	24	605
cost of maintaining Internet domain	-	1	-	-
cost of news service	-	3	7	67
Fees of the National Depository for Securities	-	-	-	-
Fees for the Warsaw Stock Exchange	-	-	-	-
input VAT	-	12	11	9
membership fee	-	-	-	-
expenses to be re-invoiced	-	-	6	2
other costs	-	-	-	527
b) other prepayments and accrued income	-	-	628	37
Total other prepayments and accrued income	-	16	652	642

Note 5

The Company did not carry any financial instruments held to maturity.

Note 6

Financial instruments available for sale	Dec 31 2005	Dec 31 2006	Dec 31 2007	Jun 30 2008
6.1. Financial instruments available for sale				
– equities	-	-	2,700	3,000
– investment certificates	-	-	-	600
Total financial instruments available for sale	-	-	2,700	3,600
6.2. Available-for-sale financial instruments of subsidiary undertakings and non-consolidated jointly-controlled undertakings other than commercial companies				
– equities	-	-	2,700	3,000
– investment certificates	-	-	-	600
Total available-for-sale financial instruments of subsidiary undertakings and non-consolidated jointly-controlled undertakings other than commercial companies	-	-	2,700	3,600
6.3. Financial instruments available for sale (by currency)				

a) in Polish currency	-	-	2,700	3,600
b) in foreign currencies (by currency and restated in PLN)	-	-	-	-
Total financial instruments available for sale	-	-	2,700	3,600
6.4. Shares and other equity interests				
a) in parent undertaking	-	-	-	-
b) in significant investor	-	-	-	-
c) in subordinated undertakings, including:	-	-	2,700	3,000
– subsidiary undertakings	-	-	2,700	3,000
– jointly-controlled undertakings	-	-	-	-
– associated undertakings	-	-	-	-
d) in other undertakings	-	-	-	-
Total shares or other equity interests	-	-	2,700	3,000
6.5. Financial instruments available for sale (by marketability)				
A. Freely marketable, listed (carrying amount)	-	-	-	-
B. Freely marketable, traded on OTC markets (carrying amount)	-	-	-	-
C. Freely marketable, not traded on regulated markets (carrying amount)	-	-	-	-
D. With limited marketability (carrying amount)	-	-	2,700	3,600
a) equities (carrying amount at acquisition cost)	-	-	2,700	3,000
b) bonds (carrying amount at acquisition cost)	-	-	-	-
c) investment certificates (carrying amount at acquisition cost)	-	-	-	600
Total value at acquisition cost	-	-	2,700	3,600
Total value at beginning of period	-	-	-	2,700
Valuation adjustments (for period)	-	-	-	-
Total carrying amount	-	-	2,700	3,600
6.6. Shares and other equity interests in subordinated undertakings				
a) company name and legal form	IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A.			
b) registered office	ul. Waliców 11, 00-851 Warsaw, Poland			
c) business profile	operation of an investment fund company, creation and management of investment funds			
d) type of capital link (subsidiary, jointly-controlled, or associated undertaking, direct or indirect)	subsidiary undertaking			
e) consolidation method applied / valuation with equity method, or information that the undertaking is not consolidated / valued with equity method	not consolidated due to immaterial effect on financial performance and financial structure of the Company			
f) control / joint control / significant influence exercised since	March 14th 2007			
g) shares or other equity interests at acquisition cost	-	-	2,700	3,000
h) valuation adjustments (total)	-	-	-	-
i) carrying amount of shares or other equity interests	-	-	2,700	3,000
j) percentage of share capital held	-	-	100%	100%
k) percentage of total vote at general shareholders meeting	-	-	100%	100%
l) basis for control / joint control / significant influence, if other than specified in j) or k)	not applicable			
m) undertaking's equity, including:	-	-	1,422	1,533
– share capital	-	-	2,700	3,000
– called-up share capital not paid (negative value)	-	-	-	-
– reserve funds	-	-	-	-
– other equity, including:	-	-	-1,278	-1,467
– retained profit (deficit)	-	-	-	-1,278
– net profit (loss)	-	-	-1,278	-189
n) undertaking's liabilities and provisions for liabilities, including:	-	-	114	183
– non-current liabilities	-	-	-	-
– current liabilities	-	-	114	183
o) undertaking's receivables, including:	-	-	314	1,225
– non-current receivables	-	-	-	-
– current receivables	-	-	314	1,225
p) undertaking's total assets	-	-	1,536	1,737

r) sales revenue	-	-	69	587
s) value of shares or other equity interests in undertaking not paid up by the issuer	-	-	-	-
t) dividend paid or payable by undertaking for previous financial year	-	-	-	-
6.7. Shares and other equity interests in other undertakings	-	-	-	-

Note 7

The Company did not carry any non-current receivables.

Note 8

The Company did not carry any non-current loans advanced.

Note 9

Intangible assets	Dec 31 2005	Dec 31 2006	Dec 31 2007	Jun 30 2008
9.1. Intangible assets				
a) cost of completed development work	-	-	-	-
b) goodwill	-	-	-	-
c) acquired permits, patents, licences and similar assets, including:	-	727	615	1,032
– computer software	-	727	615	1,032
d) other intangible assets	-	-	-	-
e) prepayments for intangible assets	-	-	-	-
Total intangible assets	-	727	615	1,032
9.2. Change in intangible assets (by type)				
a) gross value of intangible assets at beginning of period	-	-	807	1,175
b) increase – purchase	-	80	368	777
c) decrease	-	-	-	-
d) gross value of intangible assets at end of period	-	807	1,175	1,950
e) accumulated amortisation at beginning of period	-	-	80	560
f) amortisation for period	-	80	480	358
g) accumulated amortisation at end of period	-	80	560	918
h) impairment charges at beginning of period	-	-	-	-
i) impairment charges at end of period	-	-	-	-
j) net value of intangible assets at end of period	-	727	615	1,032
9.3. Intangible assets (by ownership)				
a) owned	-	727	615	1,032
b) used under rental or similar agreement, including lease agreement	-	-	-	-
Total intangible assets	-	727	615	1,032

Note 10

The Company did not carry any goodwill related to subordinated undertakings.

Note 11

Property, plant and equipment	Dec 31 2005	Dec 31 2006	Dec 31 2007	Jun 30 2008
11.1. Property, plant and equipment				
a) tangible assets, including:	-	1,285	1,280	1,254
– land (incl. perpetual usufruct rights)	-	-	-	-
– buildings and structures	-	-	-	-
– plant and equipment	-	1,190	1,190	1,172

- vehicles	-	-	-	-
- other tangible assets	-	95	90	82
b) tangible assets under construction	-	-	-	-
c) prepayments for tangible assets under construction	-	-	-	-
Total property, plant and equipment	-	1,285	1,280	1,254
11.2. Change in tangible assets (by type)				
a) gross value of tangible assets at beginning of period	-	-	1,438	1,823
b) increase – purchase	-	1,438	385	197
c) decrease	-	-	-	-
d) gross value of tangible assets at end of period	-	1,438	1,823	2,020
e) accumulated depreciation at beginning of period	-	-	153	543
f) depreciation for period	-	153	390	223
g) accumulated depreciation at end of period	-	153	543	766
h) impairment charges at beginning of period	-	-	-	-
- increase	-	-	-	-
- decrease	-	-	-	-
i) impairment charges at end of period	-	-	-	-
j) net value of tangible assets at end of period	-	1,285	1,280	1,254
11.3. Property, plant and equipment (by ownership)				
a) owned	-	1,285	1,280	1,254
b) used under rental or similar agreement, including lease agreement, subject to depreciation	-	-	-	-
c) value of tangible assets used under rental or similar agreement (e.g. lease agreement) not subject to depreciation by the brokerage house, including:	-	-	-	-
- value of land held in perpetual usufruct	-	-	-	-
Total property, plant and equipment	-	1,285	1,280	1,254

As at the end of reporting periods covered by the historical financial information, the Company held no assets used under rental, lease or similar agreements, nor did it hold any non-depreciated tangible assets used under rental, lease or similar agreements.

Note 12

Non-current prepayments and accrued income	Dec 31 2005	Dec 31 2006	Dec 31 2007	Jun 30 2008
Change in deferred tax assets				
1. Balance of deferred tax assets at beginning of period, including:	-	2	53	1,227
a) charged to net profit/(loss)	-	2	53	1,227
b) charged to equity	-	-	-	-
c) charged to (negative) goodwill	-	-	-	-
2. Increase	2	52	1,227	221
a) charged to net profit/(loss) for period in connection with deductible temporary differences	2	52	1,227	221
b) charged to net profit/(loss) for period in connection with tax loss	-	-	-	-
c) charged to equity in connection with deductible temporary differences	-	-	-	-
d) charged to equity in connection with tax loss	-	-	-	-
e) charged to (negative) goodwill in connection with deductible temporary differences	-	-	-	-
3. Decrease	-	1	53	1,215
a) charged to net profit/(loss) for period in connection with deductible temporary differences	-	1	53	1,215
b) charged to net profit/(loss) for period in connection with tax loss	-	-	-	-
c) charged to equity in connection with deductible temporary differences	-	-	-	-
d) charged to equity in connection with tax loss	-	-	-	-
e) charged to (negative) goodwill in connection with deductible temporary differences	-	-	-	-

4. Total deferred tax assets at end of period, including:	2	53	1,227	233
a) charged to net profit/(loss)	2	53	1,227	233
b) charged to equity	-	-	-	-
c) charged to (negative) goodwill	-	-	-	-
Balance of deferred tax assets:				
Increase, including:	2	52	1,227	221
- temporary differences	2	52	1,227	221
- change in tax rates	-	-	-	-
- previous period's temporary differences not recognised	-	-	-	-
- tax loss	-	-	-	-
- tax loss not recognised in previous periods	-	-	-	-
Decrease, including:	-	1	53	1,215
- reversal of temporary differences	-	1	53	1,215
- change in tax rates	-	-	-	-
- deferred tax assets written-off	-	-	-	-
- use of tax loss	-	-	-	-

Note 13

Current liabilities	Dec 31 2005	Dec 31 2006	Dec 31 2007	Jun 30 2008
13.1. Current liabilities				
1. To clients	-	87,831	122,063	138,526
2. To related undertakings	1	12	18	-
a) to subsidiary undertakings	-	-	-	-
b) to jointly-controlled undertakings	-	-	-	-
c) to associated undertakings	-	-	-	-
d) to parent undertaking	1	12	-	-
e) to significant investor	-	-	-	-
f) to relatives of the Management Board members	-	-	18	-
3. To brokerage offices, other brokerage houses and commodity brokerage houses	-	146,279	125,425	110,963
a) under executed transactions	-	146,269	125,425	110,963
b) other	-	10	-	-
4. To entities operating regulated markets and commodity exchanges	-	-	-	506
5. To the National Depository for Securities and exchange clearing houses	-	-	-	123
a) under contributions to the settlement guarantee fund	-	-	-	-
b) other	-	-	-	123
6. To commercial chamber	-	-	-	-
7. To issuers of securities or selling shareholders	-	-	-	-
8. Loans and borrowings	-	2,017	7,571	4,667
a) from related undertakings	-	-	-	-
b) other	-	2,017	7 571	4,667
9. Debt securities	-	-	-	-
10. Liabilities under promissory notes	-	-	-	-
11. Taxes, customs duties and social security payable	1	933	602	278
12. Salaries and wages payable	-	-	-	-
13. To investment and pension fund companies and to investment and pension funds	-	-	-	-
14. Under framework securities lending and short sale agreements	-	-	-	-
15. Special accounts	-	-	-	-
16. Other	-	840	2,333	12,048
a) dividends payable	-	-	-	10,000
b) other liabilities	-	840	2,333	2,048

Total current liabilities	2	237,912	258,012	267,111
13.2. Current liabilities (by currency)				
a) in Polish currency	2	237,912	258,012	267,111
b) in foreign currencies (by currency and restated in PLN)	-	-	-	-
Total current liabilities	2	237,912	258,012	267,111
13.3. Liabilities to brokerage offices, other brokerage houses and commodity brokerage houses relating to:				
a) executed stock-exchange transactions (by stock exchanges):	-	146,269	125,425	110,963
– Warsaw Stock Exchange	-	146,269	125,425	110,963
b) executed OTC transactions	-	-	-	-
c) representation of other brokerage houses on regulated markets	-	-	-	-
d) affiliation	-	-	-	-
e) automatic loans contracted through the National Depository for Securities	-	-	-	-
f) other	-	10	-	-
Total liabilities to brokerage offices, other brokerage houses and commodity brokerage houses	-	146,279	125,425	110,963
All the Company's liabilities under trading in securities are related to transactions made on the Warsaw Stock Exchange. The Company is not able to specify the individual investment and pension fund companies and investment funds, as the market counterparties in such transactions are not known and the transactions are settled through the National Depository for Securities.				
13.4. Current liabilities by maturity as from the balance-sheet date				
a) up to 1 month	2	235,271	257,219	267,106
b) over 1 month to 3 months	-	-	-	-
c) over 3 months to 1 year	-	-	-	-
d) over 1 year to 5 years	-	-	-	-
e) past due	-	2 641	793	5
Total current liabilities	2	237,912	258,012	267,111
13.5. Current liabilities under loans and borrowings from banks and other lenders				
a) loan from a lender other than bank		2,017	-	-
– loan amount as per agreement	-	2,017	-	-
– outstanding loan amount	-	2,017	-	-
– interest rate: 3M WIBOR +3 percentage points				
– repayment date: March 31st 2007				
– collateral				
b) bank loan	-	-	7,571	4,667
– outstanding loan amount	-	-	7,571	4,667
– interest rate: O/N WIBOR + 0.65 percentage points				
– repayment date: working-capital overdraft facility (with a limit of PLN 70m)				
– collateral				
blockade of up to PLN 70m in the service account of the Company's fund; the Company's representation on submission to enforcement up to PLN 86.8m; a corporate guarantee for up to PLN 50m issued by Elliott Associates L.P. (a member company of the Elliott group) for the benefit of Kredyt Bank				
c) other				
13.6. Current liabilities under debt securities in issue	-	-	-	-
13.7. Special accounts	-	-	-	-

As at the balance-sheet date, i.e. June 30th 2008, the Company's liabilities under loans and borrowings from banks and other lenders amounted to PLN 4,667 thousand. The Company concluded two credit facility agreements:

- credit facility agreement of July 25th 2007: the purpose of the facility is to service the Guarantee Fund to secure supplementary payments to the Stock-Exchange Transactions Settlement Guarantee Fund (in accordance with the requirements of the Rules of the Polish NDS); Under the agreement the bank ensures that an appropriate amount is deposited in the Company's account after each trading day.
- credit facility agreement of July 25th 2007: an agreement on a short-term working-capital overdraft facility of up to PLN 10m. The facility is used for the purpose of executing transactions on the regulated market and other transactions made under contractual obligations. The liabilities under the facility are secured with a blank promissory note and a blockade over a transactional account in which the Company's own funds of PLN 20m are deposited. The Company also filed a representation on submission to enforcement for up to PLN 12.4m. Transactional settlements with the Polish NDS are performed first with the Company's own funds deposited at the Bank.

In the period ended December 31st 2005, the Company had no liabilities under bank loans and borrowings, while as at the balance-sheet dates: December 31st 2006 and December 31st 2007, the Company's liabilities under a loan from a lender other than bank amounted to PLN 2,017 thousand and its liabilities under a bank loan stood at PLN 7,571 thousand.

Note 14

The Company did not carry any non-current liabilities.

Note 15

The Company did not carry any accruals and deferred income.

Note 16

Provisions for liabilities	Dec 31 2005	Dec 31 2006	Dec 31 2007	Jun 30 2008
16.1. Change in deferred tax liabilities	-	-	-	-
16.2. Change in non-current provision for retirement and similar benefits	-	-	-	-
16.3. Change in current provision for retirement and similar benefits	-	-	-	-
16.4. Change in other non-current provisions	-	-	-	-
16.5. Change in other current provisions				
Balance of other current provisions at beginning of period (by allocation)	-	10	234	6,179
audit and preparation of financial statements	-	4	16	81
remuneration of the Management and Supervisory Boards members	-	6	171	1,913
employees' salaries and wages	-	-	-	3,718
provision for holidays	-	-	-	227
deferred tax liabilities	-	-	-	-
costs related to promissory notes	-	-	14	-
telecommunications services	-	-	28	4
interest	-	-	-	14
tax advisory services	-	-	5	219
other	-	-	-	3
a) provisions created	10	231	6,179	1,178
audit and preparation of financial statements	4	16	81	-
remuneration of the Management and Supervisory Boards members	6	168	1,913	-
employees' salaries and wages	-	-	3,718	1,162
provision for holidays	-	-	227	-
costs related to promissory notes	-	14	-	-
telecommunications services	-	28	4	-
tax advisory services	-	5	-	-
advisory services	-	-	219	16
interest	-	-	14	-
other	-	-	3	-
b) provisions used	-	7	223	5,666
audit and preparation of financial statements	-	4	16	51
remuneration of the Management and Supervisory Boards members	-	3	160	1,900
employees' salaries and wages	-	-	-	3,613
interest	-	-	-	14
deferred tax liabilities	-	-	-	-
costs related to promissory notes	-	-	14	-
telecommunications services	-	-	28	4
tax advisory services	-	-	5	81
other	-	-	-	3
c) provisions released	-	-	11	-

remuneration of the Supervisory Board members	-	-	11	-
Balance of other current provisions at end of period (by allocation)	10	234	6,179	1,691
audit and preparation of financial statements	4	16	81	30
remuneration of the Management and Supervisory Boards members	6	171	1,913	13
employees' salaries and wages	-	-	3,718	1,267
provision for holidays	-	-	227	227
costs related to promissory notes	-	14	-	-
telecommunications services	-	28	4	-
legal and tax advisory services	-	5	-	154
advisory services	-	-	219	-
fees payable to Warsaw Stock Exchange and National Depository for Securities	-	-	-	-
entertainment and advertising	-	-	-	-
interest	-	-	14	-
other	-	-	3	-
Total balance of other current provisions at end of period	10	234	6,179	1,691

Note 17

The Company did not carry any subordinated liabilities

Note 18

Share capital	Dec 31 2005	Dec 31 2006	Dec 31 2007	Jun 30 2008
Share capital (structure)				
a) par value per share (PLN)	1.00	1.00	1.00	0.10
b) series/issue	A	A,B,C	A,B,C	A,B
c) type of shares: ordinary registered				
d) preference attached to shares	voting rights: 2x, dividend rights: 1.5x	voting rights: 2x, dividend rights: 1.5x	Abolished	Abolished
e) restrictions on rights attached to shares	N/A	N/A	N/A	N/A
f) number of shares	700,000	2,857,141	2,857,141	28,571,410
g) par value of series/issue	700	2,857	2,857	2,857
h) type of contribution:	cash	cash	cash	cash
i) registration date	Jun 2 2005 (A)	Sep 12 2006 (B), Dec 18 2006 (C)		
j) dividend right (since): dividend has not been paid		dividend has not been paid		
k) total number of shares	700,000	2,857,141	2,857,141	28,571,410
Total share capital	700	2,857	2,857	2,857

During the period covered by the historical financial information for the years ended, respectively, December 31st 2005, December 31st 2006 and December 31st 2007, the par value of shares of each series was PLN 1.00. Pursuant to Resolution No. 1 of the Extraordinary General Shareholders Meeting, dated December 5th 2007, the existing shares were split at the ratio of 1:10, while the existing series B and series C shares were consolidated into a single series, i.e. series B. The changes were registered in the National Court Register on January 24th 2008. Following the share split, during the half-year period ended June 30th 2008 the par value of shares of each series was PLN 0.1.

Furthermore, the amount of the authorised capital and the rules for its issuance were changed. Within the limit of the authorised capital, the Management Board is authorised to increase the Company's share capital by an aggregate amount of up to PLN 350,000 through the issue of up to 3,500,000 new shares, subject to approval by the Supervisory Board. In addition, a resolution was passed concerning a conditional share capital increase by PLN 485,714, to be effected through the issue of 4,857,140 shares.

On September 12th 2006, 174,780 series B shares were issued, with the issue price of PLN 1.00, including 87,390 shares with the issue price of PLN 30.56 and 87,390 shares with the issue price of PLN 1.00. Furthermore, 769,752 series C shares, with the issue price of PLN 6.93, and 1,212,609 series C shares, with the issue price of PLN 1.00, were issued on December 18th 2006.

On March 12th 2007, the preference attached to series A, B and C shares (as to voting rights and dividend payment) was abolished.

Share capital structure as at Dec 31 2005

Shareholder	No. of shares	Series	Amount of contributions	Value of acquired shares (PLN)
Dom Inwestycyjny IPOPEMA S.A.	700,000	A	Shares fully paid up	700,000

Share capital structure as at Dec 31 2006

Shareholder	No. of shares	Series	Amount of contributions	Value of acquired shares (PLN)
JL S.A.	700,000	A	Shares fully paid up	700,000
Manchester Securities Corp.	857,142	B, C	Shares fully paid up	857,142
Jacek Lewandowski	1,299,999	B, C	Shares fully paid up	1,299,999

Share capital structure as at Dec 31 2007

Shareholder	No. of shares	Series	Amount of contributions	Value of acquired shares (PLN)
JL S.A.	414,858	A	Shares fully paid up	414,858
Manchester Securities Corp.	857,142	B, C	Shares fully paid up	857,142
Jacek Lewandowski	1,299,999	B, C	Shares fully paid up	1,299,999
Stanisław Waczkowski	285,142	A	Shares fully paid up	285,142

Share capital structure as at Jun 30 2008

Shareholder	No. of shares	Series	Amount of contributions	Value of acquired shares (PLN)
JL S.A.	1,297,160	A	Shares fully paid up	129,716
Manchester Securities Corp.	8,571,420	B	Shares fully paid up	857,142
Jacek Lewandowski	12,999,990	B	Shares fully paid up	1,299,999
IPOPEMA 10 FIZAN	2,851,420	A	Shares fully paid up	285,142
IPOPEMA 9 FIZAN	2,851,420	A	Shares fully paid up	285,142

As already mentioned above, in 2005 and 2006 the shares carried voting preference (one preference share conferred the right to two votes) and dividend preference (one preference share conferred the right to receive dividend in the amount which was 50% higher than in the case of ordinary shares). On March 12th 2007, the abolishment of the preferred status of all outstanding shares was registered in the National Court Register.

Note 19

The Company did not carry any own shares.

Note 20

Reserve funds	Dec 31 2005	Dec 31 2006	Dec 31 2007	Jun 30 2008
a) share premium account	-	7,149	7,148	7,148
b) created pursuant to statutory provisions	-	-	952	952
c) created pursuant to the articles of association, above statutory minimum	-	-	3,274	21,927
d) created from additional contributions to equity	-	-	-	-
e) other (by type)	-	-	-	-
Total reserve funds	-	7,149	11,374	30,027

Note 21

The Company did not carry any revaluation capital reserve.

Note 22

The Company did not carry any other capital reserves.

Note 23

The Company did not carry any distributions from net profit in financial year.

Note 24

The Company did not carry any negative goodwill related to subordinated undertakings.

Note 25

Book value per share	Dec 31 2005	Dec 31 2006	Dec 31 2007	Jun 30 2008
Equity	657	14,231	42,884	41,255
Number of shares outstanding	700,000	2,857,141	2,857,141	28,571,410
Book value per share (PLN)	0.94	4.98	15.01	1.44

Book value per share equals the value of equity as at balance-sheet date divided by the number of shares outstanding as at the balance-sheet date.

Note 26Contingent liabilities

In the periods covered by these financial statements, the Company did not carry any contingent liabilities. However, the Company had liabilities whose nature is similar to that of contingent liabilities, connected with a guarantee issued by Elliot Associates L.P. to secure the repayment of a working-capital overdraft facility (see Note 61b).

NOTES TO THE INCOME STATEMENT

Note 27

Commissions	2005	2006	2007	Jan - Jun 2007	Jan - Jun 2008
a) on transactions in securities executed in own name but for the account of customer	-	8,007	63,045	30,416	27,244
b) on offering of securities	-	1,618	8,871	7,110	-
c) on acceptance of subscription and redemption orders for investment fund units	-	-	-	-	-
d) other	-	317	-	-	101
Total commissions	-	9,942	71,916	37,526	27,345

Note 28

Other revenue	2005	2006	2007	Jan - Jun 2007	Jan - Jun 2008
a) from keeping of clients' securities accounts and cash accounts	-	-	-	-	-
b) from offering of securities	-	-	1,218	567	505
c) from keeping registers of securities buyers	-	-	-	-	-
d) from discretionary management of securities portfolio	-	-	-	-	-
e) from professional advisory services in the area of securities trading	-	-	517	64	107
f) from representing brokerage offices and houses on regulated securities markets and commodity exchanges	-	-	-	-	-
g) other	-	443	7,226	2,037	532
Total other revenue	-	443	8,961	2,668	1,144

Note 28.1 (additional)

Revenue	2005	2006	2007	Jan - Jun 2007	Jan - Jun 2008
Revenue from securities trading	-	8,007	64,530	30,871	27,462
Revenue from investment banking services, including:	-	2,378	16,347	9,323	1 027
arrangement and execution of public offerings	-	2,353	10,088	8,444	505
M&A advisory and other financial advisory services	-	25	6,259	879	522
Total revenue	-	10,385	80,877	40,194	28,489

Note 29

Costs of brokerage activities	2005	2006	2007	Jan - Jun 2007	Jan - Jun 2008
a) affiliation	-	-	-	-	-
b) fees payable to regulated markets, commodity exchanges, the National Depository for Securities and exchange clearing houses	-	1,535	12,803	6,511	4,789
c) fees payable to commercial chamber	-	-	-	-	-
d) salaries and wages	20	1,479	18,762	8,294	7,222
e) social security	3	90	1,211	406	414
f) employee benefits	-	29	92	48	67
g) materials and energy used	-	67	235	104	80
h) costs of maintenance and lease of buildings	7	159	569	273	276
i) other costs by type	-	-	-	-	-
j) depreciation and amortisation	-	233	871	396	581
k) taxes and other public charges	21	212	1,012	668	405
l) commissions and other fees	-	-	-	-	-
m) other	13	800	4,473	1,725	1,645
Total costs of brokerage activities	64	4,604	40,028	18,425	15,479

Note 29.1 (additional)

Costs of brokerage activities	2005	2006	2007	Jan - Jun 2007	Jan - Jun 2008
Transactional costs	-	1,621	14,663	6,995	4,765
Salaries and wages, and employee benefits	23	1,610	20,272	8,986	7,703
Cost of telecommunications and data transmission infrastructure	-	174	706	322	164
Lease of office space	7	196	569	279	276
Contracted services and charges	28	339	1,437	829	1,297
Depreciation and amortisation	-	74	871	396	581
Marketing	-	221	679	299	155
Other	6	369	831	319	538
Total costs of brokerage activities	64	4,604	40,028	18,425	15,479

Note 30

Income from financial instruments held for trading	2005	2006	2007	Jan - Jun 2007	Jan - Jun 2008
Dividends and other distributions from profit	-	-	-	-	28
Interest	-	-	-	-	-
Valuation adjustments	-	-	-	-	-
Gain on sale/redemption	-	-	64	33	52
Other	-	-	-	-	-
Total income from financial instruments held for trading	-	-	64	33	80

Note 31

Costs related to financial instruments held for trading	2005	2006	2007	Jan - Jun 2007	Jan - Jun 2008
Valuation adjustments	-	-	-	-	-
Loss on sale/redemption	-	107	1,325	680	2,163
Other	-	-	174	-	258
Total costs related to financial instruments held for trading	-	107	1,499	680	2,421

Note 32

The Company did not carry any income from financial instruments held to maturity.

Note 33

The Company did not carry any costs related to financial instruments held to maturity.

Note 34

The Company did not carry any income from financial instruments available for sale.

Note 35

The Company did not carry any costs related to financial instruments available for sale.

Note 36

The Company did not carry any gain (loss) on sale of all or some of shares in subordinated undertakings.

Note 37

Other operating income	2005	2006	2007	Jan - Jun 2007	Jan - Jun 2008
a) gain on sale of property, plant and equipment, and intangible assets	-	-	-	-	-
b) subsidiaries	-	-	-	-	-
c) other, including:	-	-	17	3	22
provisions released	-	-	11	-	-
Other	-	-	6	3	22
Total other operating income	-	-	17	3	22

Note 38

Other operating expenses	2005	2006	2007	Jan - Jun 2007	Jan - Jun 2008
a) loss on sale of property, plant and equipment, and intangible assets	-	-	-	-	-
b) Impairment charges for property, plant and equipment, and intangible assets	-	-	-	-	-
c) other, including:	-	12	117	67	20
State Fund for the Disabled (PFRON)	-	-	25	11	16
membership fee	-	12	70	35	-
fine	-	-	-	10	-
VAT adjustment	-	-	-	11	-
other	-	-	22	-	4
Total other operating expenses	-	12	117	67	20

Note 39

Difference between provisions and impairment charges for receivables	2005	2006	2007	Jan - Jun 2007	Jan - Jun 2008
Provisions released	-	-	-	-	-
Provisions created	-	-	-	-	-
Reversal of impairment charges for receivables	-	-	-	-	44
Recognition of impairment charges for receivables	-	-	221	-	283
Difference between provisions and impairment charges for receivables	-	-	221	-	239

Note 40

Financial income	2005	2006	2007	Jan - Jun 2007	Jan - Jun 2008
40.1. Financial income					
1. Interest on loans advanced	-	-	-	-	-
2. Interest on investments and deposits, including:	19	173	1,597	888	1,251
a) from related undertakings	-	-	-	-	-
b) other	19	173	1,597	888	1,251
3. Other interest	-	-	-	-	1
4. Foreign-exchange gains	-	-	-	-	35
5. Other	-	-	46	46	282
Total financial income	19	173	1,643	934	1,569
40.2. Interest on investments and deposits					
a) on own investments and deposits	-	173	1,597	888	1,251
b) on clients' cash	-	-	-	-	-
Total interest on investments and deposits	-	173	1,597	888	1,251

Note 41

Financial expenses	2005	2006	2007	Jan – Jun 2007	Jan – Jun 2008
1. Interest on loans and borrowings, including:	-	224	1,675	1,496	503
a) to related undertakings, including:	-	-	469	469	-
– to subsidiary undertakings	-	-	-	-	-
– to jointly-controlled undertakings	-	-	-	-	-
– to associated undertakings	-	-	-	-	-
– to parent undertaking	-	-	-	-	-
– to significant investor	-	-	469	469	-
b) to other undertakings	-	224	1,206	1,027	503
2. Other interest	-	-	8	7	-
3. Foreign-exchange losses	-	-	120	3	5
a) realised	-	-	10	3	5
b) unrealised	-	-	110	-	-
4. Other	-	311	3,378	1,887	838
Total financial expenses	-	535	5,181	3,393	1,346

Note 42

The Company did not carry any extraordinary gains.

Note 43

The Company did not carry any extraordinary losses.

Note 44

Corporate income tax	2005	2006	2007	Jan – Jun 2007	Jan – Jun 2008
44.1. Current corporate income tax					
1. Pre-tax profit (loss)	-45	5,300	35,555	18,599	10,655
2. Consolidation adjustments ¹⁾	-	-	-	-	-
3. Differences between pre-tax profit (loss) and taxable income, including:	10	394	6,953	4,538	-3,868
a/ Taxable costs:	10	418	7,264	4,814	2,041
social security, Labour Fund and Guaranteed Employee Benefits Fund	-	21	29	33	34
representation cost	-	81	418	147	110
State Fund for the Disabled	-	2	25	11	16
membership fees	-	12	70	-	34
balance-sheet valuations	-	17	284	-	400
interest payable to the central budget	-	-	8	7	-
accrued interest	-	-	14	-	-
non-deductible VAT	-	1	-	-	-
medical services	-	9	-	-	-
impairment charge for receivables	-	-	221	-	282
provisions	10	227	6,158	4,616	1,161
other	-	48	37	-	4
b/ Statistical revenue added:	-	1	35	-	221
released provision	-	1	11	-	-
commission (accrued part)	-	-	24	-	-
reversal of impairment charge for receivables	-	-	-	-	44
valuation	-	-	-	-	177
c/ Statistical cost added:	-	8	259	259	5,688

salaries and wages paid	-	3	160	160	-
social security, Labour Fund and Guaranteed Employee Benefits Fund	-	-	21	22	29
preparation of financial statements	-	2	3	3	-
audit of financial statements	-	2	13	13	-
released provision	-	1	-	-	5,659
interest on a loan	-	-	17	17	-
legal services	-	-	6	6	-
telecommunications services	-	-	25	25	-
interest on promissory notes	-	-	14	14	-
d/ Deduction of 1/2 of 2005 loss	-	17	17	17	-
4. Taxable income	-	5,694	42,508	23,137	6,787
5. Corporate income tax at 19% rate	-	1,082	8,076	4,396	1,290
6. Increases, reliefs, exemptions, allowances, and reductions in/of corporate income tax	-	-	-	-	-
7. Current corporate income tax recognised (disclosed) in tax return for period, including:	-	1,082	8,076	4,396	1,290
– disclosed in income statement	-	1,082	8,076	4,396	1,290
– referring to items decreasing or increasing equity	-	-	-	-	-
– referring to items decreasing or increasing goodwill or negative goodwill	-	-	-	-	-
44.2. Deferred corporate income tax disclosed in income statement:					
– decrease (increase) related to temporary differences and reversal of temporary differences	2	-	-1,224	-	-221
– decrease (increase) related to changes in tax rates	-	-	-	-	-
– decrease (increase) related to tax loss not recognised earlier, tax relief or previous period's temporary differences brought forward	-	-	-	-	-
– decrease (increase) related to deferred tax assets written off or impossibility to use deferred tax liabilities	-	-50	50	50	1,215
– other items of deferred corporate income tax	-	-	-	-	-
Total deferred corporate income tax	2	-50	-1,174	50	994

Tax settlements and other regulated areas of activity (such as customs or foreign exchange issues) are subject to inspection by administrative authorities, which are authorised to impose penalties and other sanctions. Owing to absence of reference to established legal regulations in Poland, the applicable regulations lack clarity and consistency. Frequent discrepancies of opinions concerning the legal construction of tax regulations, both between different governmental agencies, and between governmental agencies and enterprises, create areas of uncertainty and conflict. Consequently, tax risk in Poland is substantially higher than in countries with better developed tax systems.

Tax settlements are subject to inspection for the five-year period starting from the end of the year in which the respective tax was paid.

In the periods covered by the historical financial information, no inspection of tax settlements was carried out at the Company.

Note 45

The Company did not carry any other mandatory decrease of profit (increase of loss).

Note 46

Distribution of profit	2005	2006	2007	Jan – Jun 2007	Jan – Jun 2008
Net profit/loss	-43	4,268	28,653	14,153	8,371
Coverage of retained deficit	-	43	-	-	-
Reserve funds	-	4,225	18,653	-	-
Dividend	-	-	10,000	-	-

The profit generated by the Company in the period January 1st – June 30th 2008 will be distributed following the end of the entire financial year ending December 31st 2008.

Note 47

Earnings per share in 2006				
	Number of shares	Issue date	Total number of shares	Number of days
Series A shares	700,000	Jan 1st 2006	700,000	254
Series B shares issue	174,800	Sep 12th 2006	874,800	97
Series C shares issue	1,982,361	Dec 18th 2006	2,857,161	14
Net profit	PLN 4,268,496.79			
Weighted average number of shares	829,194			
Earnings per share	PLN 5.15			

Earnings per share in 2007	
Number of shares	2,857,161
Net profit	PLN 28,653,485.78
Earnings per share	PLN 10.03

In 2005, the number of outstanding shares was 700,000, therefore loss per share amounted to PLN 0.06 (loss of PLN 42,765.40 divided by 700,000 shares). In 2006, earnings per share were calculated by dividing the net profit for 2006 by the weighted average number of shares during the period January 1st–December 31st 2006. The results of the calculation of the weighted average number of shares in 2006 are shown in the table above.

Note 48Liabilities secured with the brokerage house's assets

In the periods covered by these financial statements the Company did not carry any liabilities secured with the brokerage house's assets.

Note 49Contingent liabilities, including guarantees and sureties issued, underwriting agreements, and liabilities under promissory notes

In the periods covered by these financial statements the Company did not carry any contingent liabilities.

Note 50Security granted

In the periods covered by these financial statements the Company did not grant any security.

Note 51Amount and reasons for impairment charges for tangible assets

In the periods covered by these financial statements the Company did not make any impairment charges for tangible assets.

Note 52Information on income, expenses and profit (loss) on discontinued operations or operations intended to be discontinued

In the periods covered by these financial statements the Company did not discontinue any operations.

Note 53Information on production cost of tangible assets under construction and tangible assets for own needs

In the periods covered by these financial statements the Company did not incur any production cost of tangible assets under construction and tangible assets for own needs.

Note 54

Information on extraordinary gains and losses

In the periods covered by these financial statements the Company did not carry any extraordinary gains or losses.

Note 55

Information on income tax on extraordinary gain (loss), net

In the periods covered by these financial statements the Company did not carry any extraordinary items.

Note 56

Information on future income tax expense

In the periods covered by these financial statements the Company did not carry any future income tax expense.

Note 57

Items of the cash-flow statement

Breakdown of the Company's activities as disclosed in the cash-flow statement:

- operating activities – provision of brokerage and consulting services
- investing activities – purchase and disposal of intangible assets, property, plant and equipment and non-current securities
- financing activities – acquisition or loss of sources of financing (changes in the amount of and relation between equity and external capital at the undertaking) and any related monetary costs and benefits.

Note 58

Employment structure

The average workforce (employees and regular associates) in the period January 1st–June 30th 2008 was 45 people, whereas in the comparable period of January 1st–June 30th 2007 it was 34 people. The average workforce in the period January 1st–December 31st 2007 was 39 people, while in the period January 1st–December 31st 2006 it was 19.5 people. In the period March 10th–December 31st 2005 there were 5 people employed.

Note 59

In the periods covered by these financial statements, three out of four members of the Management Board (Jacek Lewandowski, Mirosław Borys and Mariusz Piskorski) were also employed at JL S.A. and received monthly remuneration on that account. However, in a separate agreement concluded with the Company, JL S.A. granted its consent to the provision of services to the Company by the abovementioned persons as of October 1st 2006. In consequence, pursuant to the provisions of the said agreement the Company paid remuneration to JL S.A. in the amount equal to the total amount of remuneration before tax, to which the abovementioned persons were entitled under their contracts of employment, plus mandatory social security contributions. The agreement was terminated on December 31st 2007.

During the entire period of holding the position of Vice-President of the Management Board, Stanisław Waczkowski has also been employed at the Company under a contract of employment, under which he receives monthly remuneration.

Irrespective of the above, the Management Board members received bonuses from the Company.

Remuneration received by the Management Board and the Supervisory Board members in the period covered by the historical financial information:

Total remuneration	2005	2006	2007	Jan–Jun 2008
Management Board	-	268	4,954	4,808
Supervisory Board	3	6	-	-

Note 60Loans, advances and guarantees granted to members of the Management Board and the Supervisory Board

In the periods covered by these financial statements the Company did not grant any loans, advances or guarantees to any of the members of the Management Board and the Supervisory Board.

Note 61Information on transactions executed with:

a/ the parent undertaking:

The Company did not execute any transactions with the parent undertaking.

b/ significant shareholder:

Manchester Securities Corp.

- Under the Engagement Contract of September 21st 2007, Manchester Securities Corp. engaged the Company to provide advisory services in connection with the arrangement of debt financing for a private investor. For the performance of services under this contract, the Company received remuneration totalling USD 900,000. Of that amount, the Company received USD 450,000, whereas the balance constitutes a Company's short-term interest-bearing investment (equivalent of PLN 954 as at June 30th 2008) and will be released to the Company within 14 days after the said debt financing granted by Manchester Securities Corp. has been repaid. The contract was performed and settled.
- IPOPEMA Securities S.A. is also a party to the agreement of July 12th 2006 concluded with JL S.A. (at that time operating under the name of Dom Inwestycyjny IPOPEMA S.A.), Jacek Lewandowski and Manchester Securities Corp. The agreement set forth, amongst other things, the terms and conditions of increase of the Company's share capital by way of an issue of shares, addressed to Manchester Securities Corp. and Jacek Lewandowski, as well as other corporate changes, which were implemented still in 2006. In addition, the parties undertook to take steps to procure the admission of the Company shares to stock-exchange trading, provided that there are favourable market conditions, upon which admission the agreement would expire.
- Apart from the above agreements, on July 25th 2007 IPOPEMA Securities S.A. also entered into an agreement with Elliot Associates L.P. (Manchester Securities Corp. is a member of the Elliot Associates L.P. Group), under which Elliott Associates undertook to issue a guarantee for up to PLN 50,000,000 in order to secure the repayment of the Company's liabilities under the Agreement on Working Capital Facility (Credit Line) concluded with Kredyt Bank S.A. Under the agreement, the Company undertook to repay to Elliott Associates L.P. any amounts paid by Elliott Associates under the guarantee to the Bank (and to reimburse Elliott Associates for any costs, expenses and losses incurred by Elliott Associates in connection with its performance of obligations under the guarantee). The guarantee was issued on July 25th 2007, amended on August 21st 2007 and remains valid until September 5th 2008.

JL S.A.

In line with the terms and conditions specified in a relevant agreement, JL S.A. agreed to three of its employees (Messrs Jacek Lewandowski, Mirosław Borys and Mariusz Piskorski) providing services to the Company starting from of October 1st 2006. In exchange, the Company undertook to pay JL S.A. a compensation equal to the aggregate gross remuneration to which these three persons are entitled under their employment contracts with DI IPOPEMA plus the mandatory social security contributions. The agreement was terminated with effect from December 31st 2007.

As at the balance-sheet date, i.e. June 30th 2008, liabilities towards JL S.A. amounted to PLN 0, whereas in the comparable period, i.e. as at June 30th 2007 they stood at PLN 12,200; as at December 31st 2007 and December 31st 2006 these liabilities amounted respectively to PLN 0 and PLN 12 thousand.

c/ the subordinated undertakings

Share capital increase at IPOPEMA TFI

On March 14th 2007, the Company acquired 100% of shares (Series A registered shares with a par value of PLN 1 per share) in IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A. for the amount of PLN 1,000,000.

On July 5th 2007, the Extraordinary General Shareholders Meeting of the company adopted Resolution No. 1 on amendments to its Articles of Association, increasing its share capital by PLN 1,000,000 through the increase of the par value of its shares to PLN 2 per share.

On November 7th 2007, the share capital of IPOPEMA TFI was increased by PLN 700,000 through the increase of the par value of the shares to PLN 2.70 per share.

On May 9th 2008, the Extraordinary General Shareholders Meeting of IPOPEMA TFI adopted a resolution to increase its share capital by PLN 300,000 through the increase of the par value of the shares to PLN 3 per share. The share capital increase at IPOPEMA TFI was registered by the National Court Register on June 5th 2008.

As at the date of these financial statements, the share capital of IPOPEMA TFI amounted to PLN 3,000,000 and was divided into 1,000,000 registered shares with a par value of PLN 3 per share.

Stock Option Agreement between the Company and members of the Management Board of IPOPEMA TFI

On December 21st 2007, IPOPEMA Securities concluded a Stock Option Agreement with members of the management board of IPOPEMA TFI – Messrs Maciej Jasiński, Jarosław Wikaliński and Jacek Osowski. The objective of the agreement was to give the three Management Board members long-term incentive to work towards continued growth of the value of IPOPEMA TFI (and the IPOPEMA Group), by way of enabling each of them to acquire shares in IPOPEMA Securities. Pursuant to the agreement, shares will be acquired as part of implementation of the Incentive Scheme (subject to its approval by the Supervisory Board) in which the above persons will be entitled to acquire shares representing in aggregate 5% of the Company's current share capital, i.e. 1,428,570 shares. The Incentive Scheme will be implemented within the limits of the conditional share capital as defined in the Articles of Association. The right to acquire new issue shares is conditional upon IPOPEMA TFI reaching pre-determined economic parameters in 2008-2009.

On April 10th 2008, the agreement was terminated by mutual agreement of the parties with respect to one of its parties. With respect to the other two persons, its provisions remained unchanged, however the total number of the Company shares to be made available under the agreement was decreased by 1/3 to 952,380 shares (3.33% of the Company's current share capital).

On May 30th 2008, the agreement was concluded with a new managing staff member, under which this person will participate in the Incentive Scheme on the terms defined in the agreement. In particular, if certain pre-determined economic parameters are met in 2008-2010, that person will be entitled to acquire 214,287 shares representing 0.75% of the Company's current share capital for a total price of PLN 100,714.89. The shares will be issued within the limits of the conditional share capital as defined in the currently binding Articles of Association.

d/ members of the Management Board and the Supervisory Board:

The Company did not execute any transactions with any member of the Management Board and the Supervisory Board.

e/ spouses or relatives of members of the Management Board and the Supervisory Board:

In the periods covered by these financial statements the Company purchased computer hardware and software from a relative of a Management Board member as part of business activity conducted by the relative. As at June 30th 2008, the balance of liabilities related to the transactions was PLN 0, while as at December 31st 2007 the balance of liabilities was PLN 18 thousand.

In H1 2007, a loan repayment (with interest) was made to the wife of a Supervisory Board member.

f/ persons related to members of the Management Board and the Supervisory Board through custody, adoption or guardianship:

The Company did not execute any transactions with persons related to members of the Management Board and the Supervisory Board through custody, adoption or guardianship.

Note 62

Transactions with related undertakings not covered by the financial statements

In the periods covered by these financial statements the Company did not execute any transactions with related undertakings other than those specified in Note 61.e/.

Note 63

Name and registered office of the parent undertaking preparing the consolidated financial statements

Not applicable.

Note 64

Financial statements for the period in which a merger was effected

No merger was effected in the periods covered by these financial statements.

Note 65

Information on non-consolidated joint ventures

In the periods covered by these financial statements the Company did not participate in any joint venture.

Note 66

Information on court proceedings

In the periods covered by these financial statements the Company was not a party to any court proceedings.

Note 67

Inspections by supervisory authorities

In the period covered by the historical financial information inspections were carried out by the General Inspector for Financial Information, the Polish NDS, and the Polish Financial Supervision Authority. No other external inspection was carried out at the Company.

33.2 Auditors' Opinions

33.2.1 Auditor's Opinion on the Audit of IPOPEMA Securities S.A.'s Historical Financial Information for the Periods: March 10th – December 31st 2005, January 1st – December 31st 2006 and January 1st – December 31st 2007

For the Shareholders, the Supervisory Board and the Management Board of IPOPEMA Securities S.A., having a registered office at ul. Waliców 11, Warsaw, Poland

For the purpose of this registration document and pursuant to the requirements laid down in Commission Regulation (EC) No. 809/2004 of April 29th 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (O.J. EU No. L 149 of April 30th 2004), we have audited the non-consolidated historical financial information of IPOPEMA Securities S.A. for the financial years ended on December 31st 2007, December 31st 2006 and December 31st 2005 contained herein.

The Company's Management Board was responsible for accuracy and clarity of the accompanying historical financial information and for ensuring that the financial information is prepared correctly.

Our responsibility was to issue an opinion on the accuracy and clarity of the historical financial information presented in this registration document.

The historical financial information was prepared in a manner ensuring its comparability through the use of uniform accounting policies in all periods presented, consistent with the accounting policies applied by IPOPEMA Securities S.A.

We performed our audit of the historical financial information in accordance with the applicable laws and the professional auditing standards, in particular:

- Chapter 7 of the Accountancy Act of September 29th 1994 (Dz.U. of 2002, No. 76, item 694, as amended),
- Regulation of the Minister of Finance of December 27th 2007 on special accounting rules for brokerage houses and organisational units of banks which conduct brokerage activity (Dz.U. of 2007, No. 250, item 1871),
- Professional auditing standards issued by the National Board of Statutory Auditors in Poland,

and in such a manner as to obtain reasonable assurance that the historical financial information does not contain any misstatements. In particular, our audit included checking the correctness of the accounting policies and significant estimates adopted by the Company, examining, largely on a test basis, of source documents and accounting records relevant to amounts and disclosures contained in the financial statements, as well as global assessment of the historical financial information. We believe that our audit has provided us with sufficient evidence to issue a reliable opinion.

In our view, the historical financial information, prepared in accordance with the Accountancy Act of September 29th 1994 (Dz.U. of 2002, No. 76, item 694, as amended), the Regulation of the Minister of Finance on special accounting rules for brokerage houses and organisational units of banks which conduct brokerage activity, dated December 27th 2007 (Dz.U. of 2007, No. 250, item 1871) and the Regulation of the Council of Ministers on the scope of information to be disclosed in the financial statements and consolidated financial statements required to be included in issue prospectuses of issuers which have their registered offices in the Republic of Poland and to which Polish accounting standards apply, dated October 18th 2005 (Dz.U. No. 209, item 1743, as amended), covering the following periods:

- January 1st – December 31st 2007,
- January 1st – December 31st 2006,
- March 10th – December 31st 2005,

presents, in all material respects, the information necessary to assess assets, financial standing and financial performance of IPOPEMA Securities S.A. in all periods presented in this registration document in an accurate and clear manner.

Warsaw, November 25th 2008

BDO Numerica International Auditors & Consultants Sp. z o. o.
ul. Postępu 12, 02-676 Warsaw, Poland
Registration No. 523

Person performing the audit
Tomasz Janyst
Qualified Auditor
Registration No. 10847/7964

Person acting on behalf of BDO Numerica International Auditors
& Consultants Sp. z o. o.
André Helin, Ph.D.
State Authorised Public Accountant
Qualified Auditor
Registration No. 90004/502
CEO of BDO Numerica International
Auditors & Consultants Sp. z o. o.

33.2.2 Auditor's Opinion on the Audit of IPOPEMA Securities S.A.'s Interim Financial Information for the Period January 1st – June 30th 2008

Independent auditor's opinion for the Shareholders, the Supervisory Board and the Management Board of IPOPEMA Securities S.A. for the period ended June 30th 2008

We have audited the accompanying interim financial statements of IPOPEMA Securities S.A., with a registered office at ul. Waliców 11, Warsaw, Poland, prepared in accordance with the Accountancy Act of September 29th 1994 (Dz.U. of 2002, No. 76, item 694, as amended) and the Regulation of the Minister of Finance on special accounting rules for brokerage houses and organisational units of banks which conduct brokerage activity, dated December 27th 2007 (Dz.U. of 2007, No. 250, item 1871), comprising:

- Introduction to the financial statements;
- Balance sheet as at June 30th 2008, showing a balance-sheet total of PLN 310,056,583.87;
- Income statement for the period January 1st – June 30th 2008, showing a net profit of PLN 8,370,582.17;
- Statement of changes in equity for the period January 1st – June 30th 2008, showing a decrease in equity by PLN 1,629,411.33;
- Cash-flow statement for the period January 1st – June 30th 2008, showing an increase in net cash of PLN 2,658,945.15;
- Notes to the financial statements.

Preparation of the financial statements was the responsibility of the Company's Management Board.

Our responsibility was to audit the financial statements and issue an opinion on their accuracy, fairness and clarity.

Our audit of the financial statements was performed in accordance with:

- 1) Chapter 7 of the Accountancy Act of September 29th 1994 (Dz.U. of 2002, No. 76, item 694),
- 2) the professional auditing standards issued by the National Board of Chartered Auditors.

We planned and performed our audit in such a manner as to obtain a reasonable basis to issue an opinion on the financial statements.

In particular, our audit included checking the correctness of the accounting policies and significant estimates adopted by the Company, examining, largely on a test basis, of source data of the amounts and disclosures contained in the financial statements, as well as global assessment of the financial statements.

The financial statements for the period January 1st – June 30th 2008 were prepared in accordance with the Polish Accountancy Act, using IPOPEMA Securities S.A.'s financial statements as at June 30th 2008.

We believe that our audit has provided us with sufficient evidence to issue a reliable opinion

In our opinion, the audited financial statements, including numerical data and clarifications contained therein:

- reflect fairly and clearly all the information necessary for the assessment of IPOPEMA Securities S.A.'s assets and financial standing as at June 30th 2008, as well as its financial performance for the financial period January 1st – June 30th 2008,
- in all material respects, were prepared in compliance with the Accountancy Act and based on properly maintained accounting books,
- comply with laws and regulations which are applicable to IPOPEMA Securities S.A. and which affect the contents of the financial statements, including the Regulation of the Minister of Finance on special accounting rules for brokerage houses and organisational units of banks which conduct brokerage activity, dated December 27th 2007 (Dz.U. of 2007, No. 250, item 1871),
- comply with the requirements set forth in the Regulation of the Minister of Finance on the scope of information to be disclosed in the financial statements and consolidated financial statements required to be included in issue prospectuses of issuers which have their registered offices in the Republic of Poland and to which Polish accounting standards apply, dated October 18th 2005 (Dz.U. of 2005, No. 209, item 1743, as amended).

Warsaw, November 25th 2008

BDO Numerica International Auditors & Consultants Sp. z o. o.
ul. Postępu 12, 02-676 Warsaw, Poland
Registration No. 523

Person performing the audit
Tomasz Janyst
Qualified Auditor
Registration No. 10847/7964

Person acting on behalf of BDO Numerica International Auditors & Consultants Sp. z o.o.
André Helin, Ph.D.
State Authorized Public Accountant
Qualified Auditor
Registration No. 90004/502
CEO of BDO Numerica International Auditors & Consultants Sp. z o. o.

APPENDICES

Appendix 1 – Definitions and Acronyms

Definitions and acronyms

Shares, Company Shares	7,000,000 Series A ordinary registered shares and 21,571,410 Series B ordinary registered shares, which in accordance with the Articles of Association become ordinary bearer shares upon their conversion into book-entry form and registration at the Polish NDS
Series A shares	7,000,000 Series A ordinary registered shares, which in accordance with the Articles of Association become ordinary bearer shares upon their conversion into book-entry form and registration at the Polish NDS
Series B shares	21,571,410 Series B ordinary registered shares, which in accordance with the Articles of Association become ordinary bearer shares upon their conversion into book-entry form and registration at the Polish NDS
Series C shares	4,857,140 Series C ordinary registered shares (which in accordance with the Articles of Association become ordinary bearer shares upon their conversion into book-entry form and registration at the Polish NDS) issued as part of the conditional share capital in connection with the Incentive Scheme
Payment Bank	Kredyt Bank S.A. acting as the payment bank, within the meaning of the Polish NDS' regulations, for the Company
CeTO	Rynek Papierów Wartościowych CeTO, an over-the counter regulated market operated by MTS-CeTO S.A.
DI IPOPEMA	Dom Inwestycyjny IPOPEMA S.A., currently JL S.A. (change of the company name was registered on March 14th 2007)
DM IPOPEMA, Dom Maklerski IPOPEMA	the Company (the Company's former name Dom Maklerski IPOPEMA S.A. was changed to IPOPEMA Securities S.A.)
business day	any day other than a Saturday, a Sunday or a statutory holiday
Dz.U.	journal of laws <i>Dziennik Ustaw Rzeczypospolitej Polskiej</i>
ESPI	Elektroniczny System Przekazywania Informacji (Electronic Information Transfer System)
EUR, euro	currency of the European Union
EVCA	European Private Equity and Venture Capital Association
Guarantee Fund	Fundusz Gwarantowania Rozliczeń Transakcji Gieldowych (Stock-Exchange Transactions Clearance Guarantee Fund) maintained in accordance with the Rules of the Polish NDS
WSE, the Stock Exchange	Gielda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange)
IPOPEMA Group	IPOPEMA Securities along with IPOPEMA TFI and IPOPEMA Business Consulting
IPOPEMA	companies of the IPOPEMA Group and DI IPOPEMA
IPOPEMA Securities	IPOPEMA Securities Spółka Akcyjna of Warsaw, formerly Dom Maklerski IPOPEMA Spółka Akcyjna
IPOPEMA TFI	IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A. of Warsaw, a subsidiary of IPOPEMA Securities S.A.
IPOPEMA Business Consulting, IPOPEMA BC	IPOPEMA Business Consulting Sp. z o.o. of Warsaw, a subsidiary of IPOPEMA Securities S.A.
IPOPEMA PRE-IPO FIZAN	IPOPEMA PRE-IPO Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych (closed-end private equity fund), established by IPOPEMA TFI on the basis of PFSA's authorisation of January 24th 2008, entered in the register of investment funds under No. 398
IPOPEMA 10 FIZAN	IPOPEMA 10 Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych (closed-end private equity fund), established by IPOPEMA TFI on the basis of PFSA's authorisation of April 28th 2008, entered in the register of investment funds under No. 373

IZFIA	Izba Zarządzających Funduszami i Aktywami (Chamber of Asset and Fund Management)
JL S.A.	JL Spółka Akcyjna of Warsaw; the founder of IPOPEMA Securities S.A.; until March 14th 2007 the company name was Dom Inwestycyjny IPOPEMA Spółka Akcyjna
Polish NDS	Krajowy Depozyt Papierów Wartościowych S.A. of Warsaw (National Depository for Securities)
Commercial Companies Code	Commercial Companies Code of September 15th 2000 (Dz.U. of 2000, No. 94, as amended) <i>Ustawa z dnia 15 września 2000 r. – Kodeks spółek handlowych (Dz.U. z 2000 roku Nr 94, z późniejszymi zmianami)</i>
PFSA	Komisja Nadzoru Finansowego (Polish Financial Supervision Authority)
Kredyt Bank	Kredyt Bank S.A. of Warsaw
KRS	Krajowy Rejestr Sądowy (National Court Register)
Manchester Securities Corp.	Manchester Securities Corporation, a company created under the US law, having its registered office in New York (712 Fifth Avenue, 36th floor, New York, NY1001, USA); Company shareholder holding 8,571,420 Series B shares representing 30.00% of the total vote at the General Shareholders' Meeting
Mergers Alliance	an international network of independent advisory companies specialising in M&A transactions and corporate finance, of which the Company is a member
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
EGM	Extraordinary General Shareholders' Meeting of the Company
Offeror	IPOPEMA Securities S.A.
Tax Legislation Act	Tax Legislation Act of August 29th 1997 (consolidated text in Dz. U. of 2005, No. 8, item 60, as amended) <i>Ustawa z dnia 29 sierpnia 1997 r. – Ordynacja Podatkowa (tekst jednolity: Dz. U. z 2005 r., Nr 8, poz. 60 ze zm.)</i>
Supervisory Capital Level	the capital requirement for domestic investment firms, calculated in accordance with Appendix 9 to the Minister of Finance's Regulation on the scope and detailed rules for determining the capital requirement and the maximum amounts of loans and debt securities in issue relative to the amount of capitals, of April 14th 2006 <i>(Rozporządzenie Ministra Finansów z dnia 14 kwietnia 2006 r. w sprawie zakresu i szczegółowych zasad wyznaczania wymogów kapitałowych oraz maksymalnej wysokości kredytów, pożyczek i wyemitowanych dłużnych papierów wartościowych w stosunku do kapitałów)</i>
Foreign Exchange Act	Foreign Exchange Act of July 27th 2002 (Dz. U. of 2002, No. 141, item 1178, as amended) <i>Ustawa z dnia 27 lipca 2002 r. – Prawo dewizowe (Dz.U. z 2002 Nr 141, poz. 1178, z późniejszymi zmianami)</i>
Incentive Scheme	an incentive scheme for the employees and associates of the IPOPEMA Group, based on the Company shares, implemented on the basis of Resolution No.2 of the Extraordinary General Shareholders' Meeting, dated December 5th 2007 (amended by Resolution No. 3 of the Extraordinary General Shareholders' Meeting, dated March 20th 2009)
Prospectus	this document, prepared in accordance with the Prospectus Regulation, in connection with the introduction of the Company shares to trading on the WSE; the only legally binding document containing information on the Shares to Be Floated
PAS	Polish Accounting Standards, the accounting standards defined in the Accountancy Act and in other laws and regulations applicable in Poland
Supervisory Board	Supervisory Board of the Company
Rules of Procedure for the Supervisory Board	Rules of Procedure for the Supervisory Board of the Company, adopted by the General Shareholders' Meeting

Rules of Procedure for the Management Board	Rules of Procedure for the Management Board of the Company, adopted by the Supervisory Board
Prospectus Regulation	Commission Regulation (EC) No 809/2004 of April 29th 2004, implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements
Regulation on Current and Periodic Information, the Regulation	Minister of Finance's Regulation on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, of February 19th 2009 (Dz.U. of 2009, No. 33, item 259) <i>Rozporządzenie Ministra Finansów z dnia 19 lutego 2009 r. – w sprawie informacji bieżących i okresowych przekazywanych przez emitentów papierów wartościowych oraz warunków uznawania za równoważne informacji wymaganych przepisami prawa państwa niebędącego państwem członkowskim (Dz.U. z 2009 roku nr 33, poz. 259)</i>
Company	IPOPEMA Securities
Articles of Association	consolidated text of the Company's Articles of Association adopted at the Company's Extraordinary General Shareholders' Meeting on March 20th 2009
Office of Competition and Consumer Protection, UOKiK	Urząd Ochrony Konkurencji i Konsumentów (Office of Competition and Consumer Protection)
USD	US dollar, official currency of the United States of America
Investment Funds Act	Investment Funds Act of May 27th 2004 (Dz.U. of 2004, No. 146, item 1546, as amended) <i>Ustawa z dnia 27 maja 2004 r. – o funduszach inwestycyjnych (Dz.U. z 2004 r., Nr 146, poz. 1546, z późniejszymi zmianami)</i>
Act on Capital Market Supervision	Act on Capital Market Supervision of July 29th 2005 (Dz.U. of 2005, No. 183, item 1537, as amended) <i>Ustawa z dnia 29 lipca 2005 r. – o nadzorze nad rynkiem kapitałowym (Dz.U. z 2005 r., Nr 183, poz. 1537, z późniejszymi zmianami)</i>
Act on Trading in Financial Instruments	Act on Trading in Financial Instruments of July 29th 2005 (Dz.U. of 2005, No. 183, item 1538, as amended) <i>Ustawa z dnia 29 lipca 2005 r. – o obrocie instrumentami finansowymi (Dz.U. z 2005 r., Nr 183, poz. 1538, z późniejszymi zmianami)</i>
Act on Competition and Consumer Protection	Act on Competition and Consumer Protection of February 16th 2007 (Dz.U. of 2007, No. 50, item 331, as amended) <i>Ustawa z dnia 16 lutego 2007 r. o ochronie konkurencji i konsumentów (Dz.U. z 2007 r., Nr 50, poz. 331, z późniejszymi zmianami)</i>
Public Offering Act	Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, of July 29th 2005 (Dz.U. of 2005, No. 183, item 1539, as amended) <i>Ustawa z dnia 29 lipca 2005 r. – o ofercie publicznej i warunkach wprowadzania instrumentów finansowych do zorganizowanego systemu obrotu oraz o spółkach publicznych (Dz.U. z 2005 r., Nr 183, poz. 1539, z późniejszymi zmianami)</i>
Act on Inheritance and Donation Tax	Act on Inheritance and Donation Tax of July 28th 1983 (consolidated text in Dz. U. of 2004, No. 142, item 1415, as amended) <i>Ustawa z dnia 28 lipca 1983 r. o podatku od spadków i darowizn (tekst jednolity: Dz. U. z 2004 r., Nr 142, poz. 1415, ze późniejszymi zmianami)</i>
Accountancy Act	Accountancy Act of September 29th 1994 (consolidated text in Dz. U. of 2002, No. 76, item 694, as amended) <i>Ustawa z dnia 29 września 1994 r. – o rachunkowości (tekst jednolity Dz.U. z 2002 r., Nr 76, poz. 694 z późniejszymi zmianami)</i>
GM	General Shareholders' Meeting of the Company

Management Board
złoty, PLN

Management Board of the Company
Polish złoty, official currency of the Republic of Poland

Industry terms

corporate finance

financial advisory services for corporate clients

FIZAN

fundusz inwestycyjny zamknięty aktywów niepublicznych (closed-end private equity fund)

hedge fund

investment fund whose investment policy assumes generating a positive return above the yield offered by bank deposits, in all market conditions, using a wide spectrum of available investments, including financial derivatives

IPO

initial public offering

M&A

mergers and acquisitions

pre-IPO, pre-IPO transactions

transactions aimed at raising capital by companies which will be able to carry out an initial public offering in a short time

Appendix 2 – Valid Excerpt from the Register of Entrepreneurs of the National Court Register

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CENTRAL INFORMATION DEPARTMENT
NATIONAL COURT REGISTER
ul. Czerniakowska 100
00-454 Warsaw

NATIONAL COURT REGISTER (KRS)

As of April 27th 2009, 11:19:25 hrs

No. KRS: **0000230737**

VALID EXCERPT
FROM THE REGISTER OF ENTREPRENEURS

Date of registration in KRS		March 22nd 2005		
Last entry	Entry No.	18	Date of entry	April 17th 2009
	File No.	WA.XII NS-REJ.KRS/6721/09/203		
	Court:	DISTRICT COURT FOR THE CAPITAL CITY OF WARSAW IN WARSAW, 12TH COMMERCIAL DIVISION OF THE NATIONAL COURT REGISTER		

SECTION 1

Subsection 1 – Company data	
1. Legal form	JOINT-STOCK COMPANY
2. Industry Identification Number (REGON)/ Tax Identification Number (NIP)	REGON: 140086881; NIP ---
3. Company name	IPOPEMA SECURITIES SPÓŁKA AKCYJNA
4. Previous registration	---
5. Does the entrepreneur conduct business activity together with other entities under an agreement establishing a partnership under civil law?	NO
6. Does the company have the status of a public benefit organisation?	NO

Subsection 2 – Principal place of business and registered address	
1. Principal place of business	country: POLAND, province: PROVINCE OF WARSAW, county: CAPITAL CITY OF WARSAW, municipality: CAPITAL CITY OF WARSAW, city/ town: WARSAW
2. Registered address	ul. WALICÓW, building no. 11, office no. ---; town/city: WARSAW, postal code: 00-851 WARSAW, country POLAND

Subsection 3 – Branches	
No entry	

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Subsection 4 – Articles of Association		
1. Information on execution of or amendments to the Articles of Association	1	NOTARIAL DEED OF MARCH 2ND 2005, DRAWN UP BY NOTARY PUBLIC JANUSZ RUDNICKI OF THE NOTARY OFFICE IN WARSAW, UL. MARSZAŁKOWSKA 55/73, OFFICE NO. 33; NUMBER IN THE REGISTER OF NOTARIAL DEEDS: REP. A NO. 2640/2005 (DEED OF INCORPORATION)
	2	NOTARIAL DEED OF AUGUST 10TH 2006, NUMBER IN THE REGISTER OF NOTARIAL DEEDS: REP. A NO. 3159, DRAWN UP BY NOTARY PUBLIC MARZENA DMOCHOWSKA OF THE NOTARY OFFICE IN WARSAW, UL. FILTROWA 73, OFFICE NO. 9. AMENDMENTS TO PAR. 1.1, PAR. 2, PAR. 3, PAR. 12, PAR. 13, PAR. 14, PAR. 16.1, PAR. 17, PAR. 20, PAR. 21 AND PAR. 29; DELETION OF PAR. 25 AND CHANGE OF THE NUMBERING OF PAR. 26 TO PAR. 29 BY DESIGNATING EACH OF THEM AS A PRECEDING NUMBER.
	3	NOTARIAL DEED OF DECEMBER 6TH 2006, NUMBER IN THE REGISTER OF NOTARIAL DEEDS: REP. A NO. 6151/2006, DRAWN UP BY NOTARY PUBLIC MARZENA DMOCHOWSKA OF THE NOTARY OFFICE IN WARSAW, UL. FILTROWA 73, OFFICE NO. 9. AMENDMENTS TO PAR. 3; CONSOLIDATED TEXT OF THE ARTICLES OF ASSOCIATION SUBMITTED.
	4	NOTARIAL DEED OF JANUARY 12TH 2007, NUMBER IN THE REGISTER OF NOTARIAL DEEDS: REP. A NO. 248/2007, NOTARY PUBLIC MARZENA DMOCHOWSKA OF THE NOTARY OFFICE IN WARSAW, UL. FILTROWA 73, OFFICE NO. 9, AMENDMENTS TO PAR. 3.2, DELETION OF PAR. 4.1, ADDITION OF PARS. 7.3, 7.4, 7.5, 7.6.
	5	NOTARIAL DEED OF DECEMBER 5TH 2007, NUMBER IN THE REGISTER OF NOTARIAL DEEDS: REP. A NO. 9312/2007, DRAWN UP BY NOTARY PUBLIC MARZENA DMOCHOWSKA OF THE NOTARY OFFICE IN WARSAW, UL. FILTROWA 73, OFFICE NO. 9. REPEAL OF THE PRECEDING WORDING OF THE ARTICLES OF ASSOCIATION AND ITS REPLACEMENT WITH A NEW WORDING, AND SUBSEQUENT ADDITION OF PAR.5.7 TO THE ARTICLES OF ASSOCIATION.
	6	NOTARIAL DEED OF JUNE 9TH 2008, NUMBER IN THE REGISTER OF NOTARIAL DEEDS: REP. A NO. 4914/2008, DRAWN UP BY NOTARY PUBLIC MARZENA DMOCHOWSKA OF THE NOTARY OFFICE IN WARSAW AMENDMENTS TO PAR. 20 OF THE ARTICLES OF ASSOCIATION.
	7	NOTARIAL DEED OF JUNE 30 2008, NUMBER IN THE REGISTER OF NOTARIAL DEEDS: REP. A NO. 5702/2008, DRAWN UP BY NOTARY PUBLIC MARZENA DMOCHOWSKA OF THE NOTARY OFFICE IN WARSAW, UL. FILTROWA 73, OFFICE NO. 9. (RESOLUTION NO. 15 AND RESOLUTION NO. 16 CONTAINING THE CONSOLIDATED TEXT OF THE ARTICLES OF ASSOCIATION). AMENDMENTS TO PAR. 2.1 OF THE ARTICLES OF ASSOCIATION.
	8	NOTARIAL DEED OF MARCH 20TH 2009, NUMBER IN THE REGISTER OF NOTARIAL DEEDS: REP. A NO. 1797/2009, DRAWN UP BY NOTARY PUBLIC MARZENA DMOCHOWSKA OF THE NOTARY OFFICE IN WARSAW, UL. FILTROWA 73, OFFICE NO. 9. AMENDMENTS TO PARS. 11.4, 27.A, 27.D OF THE ARTICLES OF ASSOCIATION, ADDITION OF PAR. 11.6

Subsection 5	
1. Period of time for which the company has been established	UNSPECIFIED
2. Journal designated for placing company announcements, other than Monitor Sądowy i Gospodarczy	---
4. Do the Articles of Association grant personal rights to specific shareholders or interest in the company's income or assets other than resulting from the shares held?	NO
5. Do bondholders have the right to share in profits?	NO

Subsection 6 – Establishing the company	
No entry	

Subsection 7 – Information on the sole shareholder

No entry

Subsection 8 – Company's share capital

1. Amount of share capital	PLN 2,857,141.00
2. Amount of authorised share capital	PLN 350,000.00
3. Total number of outstanding shares	28,571,410
4. Par value per share	PLN 0.10
5. Amount of capital paid	PLN 2,857,141.00
6. Par value of conditional share capital increase	PLN 485,714.00
Part 1 Information on contribution in kind	
No entry	

Subsection 9 – Issue of shares

1.	1. Series of shares	A
	2. Number of shares in the series	7,000,000
	3. Type of preference and the number of preference shares, or information that the shares are non-preference shares	NON-PREFERENCE SHARES
2.	1. Series of shares	B
	2. Number of shares in the series	21,571,410
	3. Type of preference and the number of preference shares, or information that the shares are non-preference shares	NON-PREFERENCE SHARES
3.	1. Series of shares	B
	2. Number of shares in the series	-----
	3. Type of preference and the number of preference shares, or information that the shares are non-preference shares	NON-PREFERENCE SHARES

Subsection 10 – Information on adoption of a resolution on an issue of convertible bonds

No entry

Subsection 11

1. Is the Management or Administration Board authorised to issue subscription warrants?	---
---	-----

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SECTION 2

Subsection 1 - Governing body authorised to represent the company		
1. Name of the governing body authorised to represent the company	MANAGEMENT BOARD	
2. Form of representation	PERSONS AUTHORISED TO MAKE DECLARATIONS OF WILL ON BEHALF OF THE COMPANY: TWO MEMBERS OF THE MANAGEMENT BOARD ACTING JOINTLY	
Part 1 Information on members of the governing body		
1	1. Surname / Name of company	LEWANDOWSKI
	2. First and middle name	JACEK
	3. Personal Identification Number (PESEL)/ Industry Identification Number (REGON)	72091201871
	4. KRS No.	****
	5. Function in the governing body	PRESIDENT OF THE MANAGEMENT BOARD
	6. Has the person been suspended from duties?	NO
	7. Suspension end date	---
2	1. Surname / Name of company	BORYS
	2. First name and middle name	MIROŚLAW JACEK
	3. Personal Identification Number (PESEL)/ Industry Identification Number (REGON)	70060800050
	4. KRS No.	****
	5. Function in the governing body	VICE-PRESIDENT OF THE MANAGEMENT BOARD
	6. Has the person been suspended from duties?	NO
	7. Suspension end date	---
3	1. Surname / Name of company	PISKORSKI
	2. First name and middle name	MARIUSZ MARIA
	3. Personal Identification Number (PESEL)/ Industry Identification Number (REGON)	72112300833
	4. KRS No.	****
	5. Function in the governing body	VICE-PRESIDENT OF THE MANAGEMENT BOARD
	6. Has the person been suspended from duties?	NO
	7. Suspension end date	---
4	1. Surname / Name of company	WACZKOWSKI
	2. First name and middle name	STANISŁAW WOJCIECH
	3. Personal Identification Number (PESEL)/Industry Identification Number (REGON)	74093001176
	4. KRS No.	****
	5. Function in the governing body	VICE-PRESIDENT OF THE MANAGEMENT BOARD
	6. Has the person been suspended from duties?	NO
	7. Suspension end date	---

Subsection 2 – Supervisory body		
1. Name of the governing body		SUPERVISORY BOARD
Part 1 Information on members of the governing body		
1	1. Surname	DIEMKO
	2. First name and middle name	JANUSZ RYSZARD
	3. Personal Identification Number (PESEL)	69022515833
2	1. Surname	MILER
	2. First name and middle name	ROMAN
	3. Personal Identification Number (PESEL)	68020200358
3	1. Surname	KRYCA
	2. First name and middle name	BOGDAN
	3. Personal Identification Number (PESEL)	68061700011
4	1. Surname	SLIWINSKI
	2. First name and middle name	WIKTOR PAWEL
	3. Personal Identification Number (PESEL)	79122113491
5	1. Surname	JONAK
	2. First name and middle name	JACEK WOJCIECH
	3. Personal Identification Number (PESEL)	65062500350

Subsection 3 – Proxies	
No entry	

SECTION 3

Subsection 1 – Business profile		
1. Entrepreneur's business profile	1	66,12,Z – SECURITY AND COMMODITY BROKING
	2	64,99,Z – OTHER FINANCIAL SERVICES NOT ELSEWHERE CLASSIFIED, EXCEPT INSURANCE AND PENSION FUNDING
	3	70,22,Z – OTHER BUSINESS AND MANAGEMENT CONSULTING SERVICES

Subsection 2 – Information on documents submitted			
Type of document	Consecutive number in the box	Submission date	For the period
1. Information on submitting the annual financial statements	1	September 4th 2006	MARCH 10TH 2005 – DECEMBER 31ST 2005
	2	July 16th 2007	JANUARY 1ST 2006 – DECEMBER 31ST 2006
	3	July 2nd 2008	JANUARY 1ST 2007 – DECEMBER 31ST 2007

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2. Information on submitting the auditor's opinion	1	*****	MARCH 10TH 2005 – DECEMBER 31ST 2005
	2	*****	JANUARY 1ST 2006 – DECEMBER 31ST 2006
	3	*****	JANUARY 1ST 2007 – DECEMBER 31ST 2007
3. Information on submitting a resolution or decision approving the financial statements	1	*****	MARCH 10TH 2005 – DECEMBER 31ST 2005
	2	*****	JANUARY 1ST 2006 – DECEMBER 31ST 2006
	3	*****	JANUARY 1ST 2007 – DECEMBER 31ST 2007
4. Information on submitting the report on the company's operations	1	*****	MARCH 10TH 2005 – DECEMBER 31ST 2005
	2	*****	JANUARY 1ST 2006 – DECEMBER 31ST 2006
	3	*****	JANUARY 1ST 2007 – DECEMBER 31ST 2007

Subsection 3 – Financial statements/reports of the company's Group

No entry

Subsection 4 – Business profile defined in the Articles of Association of a public benefit organisation

No entry

SECTION 4

Subsection 1 – Payments in arrears

No entry

Subsection 2 – Claims

No entry

Subsection 3 – Information on protection of the debtor's assets in bankruptcy proceedings through stay of enforcement proceedings against the debtor, on dismissing bankruptcy petition on the grounds that the assets of the insolvent debtor do not suffice to cover the costs of the proceedings

No entry

Subsection 4 – Discontinuation of enforcement proceedings against the entrepreneur on the grounds that the proceeds from the enforcement proceedings will not suffice to cover the costs of the proceedings

No entry

SECTION 5

Subsection 1 – Custodian

No entry

SECTION 6

Subsection 1 – Liquidation

No entry

Subsection 2 – Information on dissolution or invalidation of the company

No entry

Subsection 3 – Receivership

No entry

Subsection 4 – Information on mergers, demergers or transformations

No entry

Subsection 5 – Bankruptcy proceedings

No entry

Subsection 6 – Arrangement proceedings

No entry

Subsection 7 – Composition proceedings

No entry

Subsection 8 – Suspension of business activity

No entry

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[Stamp with the state emblem appears
on each page] CENTRAL
INFORMATION OFFICE
OF THE NATIONAL COURT REGISTER

Signature

[illegible signature]

ŻABOWSKA KATARZYNA

Appendix 3 – Articles of Association

Consolidated text of the Articles of Association adopted by Resolution No. 2 of the Company's Extraordinary General Shareholders' Meeting, dated March 20th 2009, submitted for registration in the National Court Register on March 23rd 2009:

ARTICLES OF ASSOCIATION OF JOINT-STOCK COMPANY IPOPEMA SECURITIES S.A.

Par. 1.

1. The name of the Company shall be IPOPEMA Securities Spółka Akcyjna. The Company may use the abbreviated name of IPOPEMA Securities S.A.
2. The Company's registered office shall be in Warsaw.
3. The Company may establish branch offices and other organisational units in Poland and abroad.
4. The duration of the Company shall be unlimited.

Par. 2.

1. The Company's business shall comprise brokerage activities, i.e. (PKD = Polish Classification of Activities):
 - a) PKD 66.12.Z – Securities and commodity contracts brokerage,
 - b) PKD 64.99.Z – Other financial service activities, except insurance and pension funding n.e.c.,
 - c) PKD 70.22.Z – Business and other management consultancy activities.
2. Business activities which, under applicable laws, require a permit or licence shall be undertaken by the Company upon obtaining the relevant permit or licence.

Par. 3.

1. The share capital of the Company shall amount to PLN 2,857,141 (two million, eight hundred and fifty-seven thousand, one hundred and forty-one zloty) and shall be divided into 7,000,000 (seven million) Series A ordinary registered shares with a par value of PLN 0.10 (ten grosz) per share and 21,571,410 (twenty-one million, five hundred and seventy-one thousand, four hundred and ten) Series B ordinary registered shares with a par value of PLN 0.10 (ten grosz) per share, subject to Par.3.2 below.
2. All of the Company shares shall be ordinary registered shares, with the exception of the shares registered in the depository maintained by Krajowy Depozyt Papierów Wartościowych S.A. (the Polish National Depository for Securities), which become ordinary bearer shares upon their registration in the aforementioned depository and conversion into book-entry form.
3. Shares in subsequent issues shall be assigned successive letters of the alphabet.

Par. 4.

The founder of the Company is Dom Inwestycyjny IPOPEMA Spółka Akcyjna.

Par. 5.

1. A share capital increase shall require an amendment to these Articles of Association and shall be effected by way of a new issue or through an increase in the par value of the existing shares. The share capital may be increased with funds from the reserve funds or other capital reserves created from profit distributions, provided that such funds and reserves may be used for that purpose under applicable laws.
2. The Company may issue convertible bonds, bonds with pre-emptive rights to acquire shares, and subscription warrants.
3. The Management Board is authorised to increase the Company's share capital by an aggregate amount of up to PLN 350,000 (three hundred and fifty thousand zloty) through the issue of up to 3,500,000 (three million, five hundred thousand) new shares, by way of one or more share capital increases within the limit specified above, within three years of entering the amendment to these Articles of

Association made by virtue of Resolution No. 1 of the Extraordinary General Shareholders' Meeting of the Company held on December 5th 2007, into the Register of Entrepreneurs (authorised capital). The Management Board's authorisation to increase the share capital through the issue of new shares within the limit of the authorised capital shall expire upon the lapse of three years from entering the amendment to these Articles of Association made by virtue of Resolution No. 1 of the Extraordinary General Shareholders' Meeting of the Company dated December 5th 2007 into the Register of Entrepreneurs.

4. A share capital increase within the limit of the authorised capital shall require the Supervisory Board's approval.
5. Subject to Par. 5.4 above and unless the provisions of the Commercial Companies Code stipulate otherwise, the Management Board shall decide on any and all matters related to share capital increases within the limit of the authorised capital.
6. With the Supervisory Board's approval, the Company's Management Board may restrict or waive the shareholders' pre-emptive rights to acquire shares (the pre-emptive rights) with respect to shares issued within the limit of the authorised capital, provided that if the Supervisory Board comprises two independent members, at least one of those independent members has also voted in favour of the Supervisory Board's resolution granting its approval for the restriction or disapplication of the pre-emptive rights.
7. The Company's conditional share capital shall amount to no more than PLN 485,714 (four hundred and eighty-five thousand, seven hundred and fourteen zloty) and shall be divided into no more than 4,857,140 (four million, eight hundred and fifty-seven thousand, one hundred and forty) Series C ordinary registered shares with a par value of PLN 0.10 (ten grosz) per share, subject to Par. 3.2 hereof. The purpose of the conditional share capital increase shall be to grant the right to acquire Series C shares to holders of subscription warrants issued by the Company by virtue of a resolution adopted by the Extraordinary General Shareholders' Meeting on December 5th 2007. The right to acquire Series C shares by the holders of subscription warrants may be exercised by November 30th 2017.

Par. 6.

1. The Company shares may be retired.
2. The shares may be retired subject to a written consent of the shareholder whose shares are to be retired.
3. The shares shall be retired upon a reduction of the Company's share capital, subject to applicable laws.
4. In exchange for the retired shares, a shareholder shall receive an amount calculated on the basis of the Company's balance sheet prepared for the previous financial year, unless the retirement is made – with the consent of the shareholder whose shares are to be retired – in exchange for an amount lower than specified above or without any consideration to the shareholder.
5. A resolution on the retirement of the Company shares shall be adopted by the General Shareholders' Meeting with a majority of three-quarters of votes. If at least half of the share capital is represented at the General Shareholders' Meeting, a resolution on the retirement of the Company shares may be adopted with a simple majority of votes.
6. Detailed conditions of share retirement shall be set forth in a resolution of the General Shareholders' Meeting.

Par. 7.

The Company's governing bodies shall be the Management Board, the Supervisory Board and the General Shareholders' Meeting.

Par. 8.

1. The Company's Management Board shall be composed of two to five members, including the President, appointed and removed by the Supervisory Board (which shall determine the number of Management Board members within the limits set forth above), with the exception of the first Management Board, appointed by the Founder.
2. The term of office of the Management Board shall be three years.

Par. 9.

1. The Management Board shall manage and represent the Company in relations with third parties. All members of the Management Board shall be obliged and authorised to jointly manage the Company's affairs.
2. The Management Board shall act in accordance with the Rules of Procedure for the Management Board, adopted by the Supervisory Board.
3. Resolutions of the Management Board shall be adopted with an absolute majority of votes. In the event of a voting tie, the President of the Management Board shall have the casting vote.
4. The Management Board may adopt its resolutions if all members have been duly notified of the Management Board meeting.

Par. 10.

Declarations of will on behalf of the Company may be made by two Management Board members acting jointly.

Par. 11.

1. The Supervisory Board shall be composed of five members appointed and removed by the General Shareholders' Meeting, subject to Par. 11.3 and Par. 11.4 below. Following the expiry of the right of Manchester Securities Corp. referred to in Par. 11.3, two members of the Supervisory Board shall be independent members. The right to propose candidates for the position of independent member of the Supervisory Board shall rest with the shareholders present at the General Shareholders' Meeting whose agenda includes the election of an independent member of the Supervisory Board.
2. An independent member of the Supervisory Board shall be a person who meets all of the following conditions:
 - a) the person is not and has not been in the last five years employed at the Company, its subsidiaries or parent companies as a Management Board member or in any other managerial position,
 - b) the person is not and has not been in the last three years employed at the Company, its subsidiaries or parent companies;
 - c) the person is not receiving any additional remuneration (apart from the remuneration for his or her membership in the Supervisory Board) or any proprietary benefits from the Company, its subsidiaries or parent companies;
 - d) the person is not a shareholder holding, directly or indirectly, shares conferring the right to more than 5% of the total vote at the General Shareholders' Meeting, and is not a representative of, member of the management board or supervisory board of, or an employee holding a managerial position at any such shareholder;
 - e) the person is not and has not been in the last three years a shareholder or employee of the present or former auditors of the Company or its subsidiaries;
 - f) the person does not have and has not had in the last year any material economic relationship with the Company or its subsidiaries, directly or indirectly, as a partner, shareholder or member of its governing bodies or in any managerial capacity. The term "economic relationship" shall also include a relationship with a significant supplier of goods or services (including financial, legal, advisory and consultancy services), a significant customer or organisations receiving substantial funds from the Company or its Group;
 - g) the person has not been a member of the Company's Supervisory Board for more than 12 years since the first appointment;
 - h) the person has not been a member of the management board in any other company in which a member of the Company's Management Board is a supervisory board member;
 - i) the person is not a close person of any member of the Company's governing bodies or of any of the Company's employees holding a managerial position or of any of the persons referred to in points a)–h) hereof;
 - j) the person may not engage in any business competitive to the Company's business.
3. Manchester Securities Corp. has the right to appoint and remove two members of the Supervisory Board; however, this right shall expire upon the introduction of the Company shares to trading on the Warsaw Stock Exchange. Following the expiry of this right, the General Shareholders' Meeting may appoint two independent members of the Supervisory Board.
4. As long as Jacek Lewandowski holds – directly or indirectly through one or more Controlled Entities – shares conferring the right to exercise:
 - a. at least 25% of the total vote at the General Shareholders' Meeting – he shall have the right to appoint and remove two members of the Supervisory Board;
 - b. less than 25% but more than 5% of the total vote at the General Shareholders' Meeting – he shall be entitled to appoint and remove one member of the Supervisory Board.
5. Members of the Supervisory Board shall be appointed for a joint term of office of three years.
6. The appointment and removal of the Supervisory Board members as described in Par.11.3 and Par. 11.4 above shall be effected by way of a written representation delivered to the Company.

Par. 12.

1. The Supervisory Board shall act in accordance with the Rules of Procedure adopted by the General Shareholders' Meeting.
2. The Rules of Procedure for the Supervisory Board shall define its organisation and the manner of performance of its duties.

Par. 13.

1. Meetings of the Supervisory Board shall be convened by the Chairman or Deputy Chairman of the Supervisory Board.
2. The Management Board or a member of the Supervisory Board may request that a Supervisory Board meeting be convened, proposing an agenda for the meeting. The Chairman of the Supervisory Board shall convene the meeting within two weeks of receipt of such a request. If the Chairman of the Supervisory Board fails to convene the meeting in accordance with the request referred to above, it may be convened by the requesting party, who shall specify the date, venue and proposed agenda of the meeting.
3. Meetings of the Supervisory Board should be held as need arises, but in any case not less frequently than three times in a financial year.

Par. 14.

1. Subject to Par. 14.2 to Par. 14.4 below and Par. 15.3 and 15.4 hereof, the Supervisory Board may adopt resolutions if at least half of its members are present at the meeting and all the members have been invited to the meeting.
2. Members of the Supervisory Board may participate in adopting resolutions of the Supervisory Board by casting their vote in writing through the agency of another Supervisory Board member. Votes may not be cast in writing with respect to matters placed on the agenda during a Supervisory Board meeting.
3. The Supervisory Board may adopt resolutions in writing or using means of direct remote communication. A resolution shall be valid if all members of the Supervisory Board have been notified of the contents of the draft resolution.
4. Resolutions adopted using the procedure defined in Par. 14.2 and Par. 14.3 may not concern matters in the case of which this procedure is not allowed under the Commercial Companies Code; in particular, such matters shall include appointment and removal of Management Board members and suspension of Management Board members from their duties.

Par. 15.

1. Subject to Par. 15.3 and Par. 15.4, resolutions of the Supervisory Board shall be adopted with a simple majority of votes.
2. In the event of a voting tie, the Chairman of the Supervisory Board shall have the casting vote.
3. Supervisory Board resolutions on removal of a Management Board member shall require at least four (4) members of the Supervisory Board to vote. In the event of a voting tie, the Chairman of the Supervisory Board shall have the casting vote.
4. If the Supervisory Board includes two independent members, Supervisory Board resolutions on matters referred to in Par. 16.3.g) and Par. 16.3.m) shall be valid only if at least one independent member of the Supervisory Board has also voted in favour of their adoption.

Par. 16.

1. The Supervisory Board shall exercise ongoing supervision over the Company's activities.
2. The Supervisory Board shall perform its duties collectively; however, it may delegate certain supervisory duties to its individual members.
3. In addition to other matters specified in the Commercial Companies Code and these Articles of Association, the scope of powers of the Supervisory Board shall include:
 - a) assessment of the Directors' Report on the Company's operations and the financial statements for the previous financial year in terms of their consistency with the accounting books, documentary evidence and the actual state of affairs,
 - b) assessment of the Management Board's proposals regarding the distribution of profit or coverage of loss,
 - c) submission of an annual written report on the results of the assessments referred to in points a) and b) to the General Shareholders' Meeting.
 - d) appointment and removal of Management Board members, including the President of the Management Board,
 - e) establishing rules for remunerating the members of the Management Board,
 - f) adoption of the Rules of Procedure for the Management Board,
 - g) selection of an auditor to audit the Company's financial statements,
 - h) approval of annual budgets and development plans for the Company and its Group,
 - i) adoption of resolutions on matters referred to in Par. 5.4 and Par. 5.6 hereof,
 - j) granting approval for the performance by the Company of a legal act which results in the assumption of an obligation or in a disposal, or to incur expenditure, whether in a single transaction or a series of related transactions, which is not provided for

in the Company's budget and falls outside the Company's ordinary course of business, where the value of the obligation, disposal or expenditure exceeds PLN 3,000,000, with the exception of obligations assumed in connection with the settlement of the Company's liabilities towards Krajowy Depozyt Papierów Wartościowych S.A. (the Polish National Depository for Securities) relating to the Company's brokerage activities,

- k) granting approval for the Company to acquire, sell or liquidate shares in other companies, if such acquisition, sale or liquidation is beyond the Company's ordinary course of business,
- l) granting approval to acquire, sell or encumber any of the Company's real estate and/or interest in real estate, or perpetual usufruct right to any of the Company's real estate or interest in such right,
- m) granting approval for the execution of an agreement between:
 - i. the Company and members of its Management Board,
 - ii. the Company and a shareholder of the Company representing over 10% of shares in the Company's share capital, or between the Company and shareholders of the Company representing jointly over 10% of shares in the Company's share capital,
 - iii. the Company and its Related Entities other than those specified in points i-ii above, with the exception of the Company's Subsidiaries, if the aggregate value of such agreement (or agreements) during 12 consecutive months exceeds the equivalent of EUR 100,000.with the exception of agreements executed as part of the Company's ordinary course of business.
- n) in the event that these Articles of Association are amended – preparing a consolidated text of these Articles of Association or appropriate rewording of the text.
- o) other matters provided for in the applicable laws and regulations or in these Articles of Association, or submitted to the Supervisory Board by the Company's Management Board.

Par. 17.

1. The General Shareholders' Meetings may be convened as either ordinary or extraordinary.
2. An Ordinary General Shareholders' Meeting shall be convened by the Management Board once a year, no later than within six months of the end of each financial year of the Company.
3. An Extraordinary General Shareholders' Meeting shall be convened in the cases specified in the Commercial Companies Code or in these Articles of Association, or when deemed advisable by any of the bodies or persons entitled to convene general shareholder meetings under the provisions of the Commercial Companies Code.
4. General Shareholders' Meetings shall be held in Warsaw.

Par. 18.

1. Resolutions of the General Shareholders' Meetings shall be adopted with an absolute majority of votes, except where the provisions of the Commercial Companies Code or these Articles of Association set more stringent requirements.
2. Resolutions of the General Shareholders' Meetings regarding amendments to the Company's Articles of Association, increase in the Company's share capital, retirement of Company shares, issue of convertible bonds, bonds with pre-emptive rights to acquire shares, or subscription warrants, reduction of the Company's share capital, disposal of business or an organised part of business, and dissolution of the Company, shall require a majority of three-quarters of votes.

Par. 19.

1. The scope of powers of the General Shareholders' Meeting shall include:
 - a) review and approval of the Company's financial statements and of the Directors' Report on the Company's operations for the previous financial year,
 - b) adopting resolutions on the distribution of profit or coverage of loss,
 - c) granting discharge to members of the Company's governing bodies in respect of their duties,
 - d) adopting resolutions on the issue of convertible bonds or bonds with pre-emptive rights, as well as resolutions on the issue of subscription warrants,

- e) adopting resolutions on the retirement of Company shares, including conditions of such retirement,
 - f) adopting resolutions on disposal or lease of the Company's business or its organised part, and establishment of limited property rights in a business or its organised part,
 - g) appointment and removal of the Supervisory Board members, with the exception of the Supervisory Board members appointed and removed from office as specified in Pars. 11.3 and 11.4 of these Articles of Association,
 - h) adopting the Rules of Procedure for the Supervisory Board,
 - i) determining the remuneration for the Supervisory Board members,
 - j) adopting the Rules of Procedure for the General Shareholders' Meeting,
 - k) creation and release of the Company's reserve capitals and funds,
 - l) other matters provided for in the applicable regulations or in these Articles of Association, or submitted by the Supervisory Board or the Management Board.
2. The scope of powers of the General Shareholders' Meeting shall not include the adoption of resolutions on purchase or sale by the Company of real estate or an interest in real estate.

Par. 20.

1. The General Shareholders' Meeting shall set the date with reference to which a list of shareholders eligible to receive dividends for a given financial year will be determined (the dividend record date), as well as the dividend payment date.
2. The Management Board shall be authorised to pay interim dividends to shareholders, on condition that the Company holds sufficient funds to do so. The payment of interim dividends shall require the Supervisory Board's approval.
3. The Company may distribute interim dividends if its audited financial statements for the previous financial year show a profit. The interim dividend shall not exceed a half of the profit generated from the end of the previous financial year, as shown in the audited financial statements on which the auditor's opinion was issued, increased by the amount of any undistributed retained earnings allocated to capital reserve for payment of dividend, and decreased by the amount of any retained deficit and the value of mandatory reserves created in accordance with the law or these Articles of Association.

Par. 21.

Capitals and funds of the Company shall comprise the following:

- a) share capital,
- b) reserve funds,
- c) capital reserves created in accordance with applicable laws.

Par. 22.

1. In order to cover losses, the Company shall create reserve funds, to which at least 8% of the Company's annual profit shall be transferred until the reserve funds reach the value of one-third of the share capital. Other funds shall also be transferred to the reserve funds, if required under the laws of general application.
2. The General Shareholders' Meeting shall determine the allocation of the reserve funds and capital reserves, subject to the reservation that a portion of the reserve funds equal to one-third of the share capital shall be used exclusively to cover losses shown in the Company's financial statements.

Par. 23.

The Company's financial year shall coincide with the calendar year. The end of the first financial year shall be December 31st 2005.

Par. 24.

1. The Company shall be dissolved subsequent to the completion of liquidation proceedings, and upon its deletion from the relevant register.

2. During liquidation proceedings, the Company shall operate under its name extended with the phrase "*w likwidacji*" ("in liquidation").
3. The Company's liquidator shall be appointed by the Supervisory Board.
4. Any assets which remain after satisfaction of claims of the Company's creditors shall be distributed among the shareholders *pro rata* to the number and par value of the shares held by them.

Par. 25.

The announcements required by law shall be published by the Company in *Monitor Sądowy i Gospodarczy*, except where applicable laws stipulate otherwise.

Par. 26.

Any matters not provided for in these Articles of Association shall be governed by the provisions of the Commercial Companies Code and other applicable laws.

Par. 27.

For the purposes of these Articles of Association:

- a) the term "Related Entity" shall mean a related entity as defined in the Minister of Finance's Regulation on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated February 19th 2009 (Dz. U. No. 33, item 259);
- b) the term "Parent Company" shall mean a parent entity as defined in the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, dated July 29th 2005 (Dz. U. No. 184, item 1539, as amended);
- c) the term "Subsidiary" shall mean a subsidiary as defined in the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, dated July 29th 2005 (Dz. U. No. 184, item 1539, as amended);
- d) the term "Controlled Entity" shall mean a Subsidiary or a closed-end investment fund in which its shareholder holds investment certificates in a number representing at least two-thirds of the total number of investment certificates in the fund.

Appendix 4 – Rules of the Incentive Scheme of the IPOPEMA Group

These Rules were adopted by virtue of Resolution No. 6/III/2009 of the Management Board of IPOPEMA Securities S.A., dated March 23rd 2009, passed in performance of Resolution No. 2 of the Extraordinary General Shareholders' Meeting of IPOPEMA Securities S.A., dated December 5th 2007, (amended by Resolution No. 3 of the Extraordinary General Shareholders' Meeting dated March 20th 2009) concerning the adoption of the IPOPEMA Group's incentive scheme and the underlying assumptions.

Definitions:

Series C shares	Series C ordinary registered shares of the Company issued under Resolution No. 3 of the Extraordinary General Shareholders' Meeting concerning a conditional share capital increase in connection with the implementation of the Incentive Scheme for the key employees of the Company and its subsidiary IPOPEMA TFI, as well as other persons of key importance for the execution of the IPOPEMA Group's strategy
WSE	Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.)
IPOPEMA Group	the Company and its subsidiaries
List of Eligible Persons	a list specifying the names of persons eligible to participate in the Incentive Scheme and to acquire Warrants under an individual Share Option Plan, along with the number of Warrants allocated for acquisition by each Eligible Person, approved by the Company's Management Board
Public Offering	the initial public offering of the Company shares
Company	IPOPEMA Securities Spółka Akcyjna of Warsaw
Extraordinary General Shareholders' Meeting	Extraordinary General Shareholders' Meeting of the Company
Eligible Persons	key personnel of the IPOPEMA Group and other persons of key importance for the implementation of the IPOPEMA Group's strategy, whose names are included in the List of Eligible Persons and who are entitled to acquire subscription warrants issued by the Company
Share Option Plan, Share Option Plans	separate components of the Incentive Scheme, for which different terms and conditions for acquiring Series C shares by the Eligible Persons may be defined
Incentive Scheme	an incentive programme for key personnel of the IPOPEMA Group and other persons of key importance for the implementation of the IPOPEMA Group's strategy, implemented on the basis of Resolution No. 2 of the Extraordinary General Shareholders' Meeting and in accordance with the terms and conditions set forth in these Rules.
Rules	these Rules of the Incentive Scheme, adopted by the Management Board and approved by the Supervisory Board.
Resolution No. 2 of the Extraordinary General Shareholders Meeting	Resolution No. 2 of the Extraordinary General Shareholders' Meeting of IPOPEMA Securities S.A., dated December 5th 2007, (amended by Resolution No. 3 of the Extraordinary General Shareholders' Meeting dated March 20th 2009) concerning the adoption of the IPOPEMA Group's incentive scheme and the underlying assumptions.
Resolution No. 3 of the Extraordinary General Shareholders Meeting	Resolution No. 3 the Extraordinary General Shareholders' Meeting of IPOPEMA Securities S.A., dated December 5th 2007, (amended by Resolution No. 4 of the Extraordinary General Shareholders' Meeting, dated March 20th 2009), concerning a conditional share capital increase in connection with the implementation of the Incentive Scheme for the key employees of the Company and its subsidiary IPOPEMA TFI, as well as other persons of key importance for the execution of the IPOPEMA Group's strategy.
Resolution No. 4 of the Extraordinary General Shareholders Meeting	Resolution No. 4 of the Extraordinary General Shareholders' Meeting of IPOPEMA Securities S.A., dated December 5th 2007, (amended by Resolution No. 5 of the Extraordinary General Shareholders' Meeting, dated March 20th 2009), concerning the issue of subscription warrants.

Warrants subscription warrants issued by the Company under Resolution No. 4 of the Extraordinary General Shareholders' Meeting concerning the issue of subscription warrants allocated for acquisition by Eligible Persons under the Incentive Scheme.

Par.1 Objective

According to Resolution No. 2 of the Extraordinary General Shareholders' Meeting, the Incentive Scheme is aimed at encouraging employees of the IPOPEMA Group to spend their professional careers working for the Company or one of its subsidiaries and at attracting new competent staff by creating stimuli that would motivate highly qualified persons of key importance for the implementation of the IPOPEMA Group's strategy to act in the best interest of the IPOPEMA Group, and specifically by offering them the opportunity to acquire the Company shares.

Par.2 Size

As part of the Incentive Scheme the Company has issued – on the terms and conditions set forth in Resolution No. 4 of the Extraordinary General Shareholders' Meeting – not more than 4,857,140 Warrants, each conferring the right to acquire one Series C share with the par value of PLN 0.10 per share. If the maximum number of Warrants (i.e. 4,857,140) is distributed under the Incentive Scheme, the Company will distribute a maximum number of 4,857,140 Series C shares with the total par value of PLN 485,714, representing 17% of its share capital.

Par. 3 Eligible Persons

Key personnel of the IPOPEMA Group and other persons of key importance for the implementation of the IPOPEMA Group's strategy, whose names are included in the List of Eligible Persons, will be allowed to participate in the Incentive Scheme on condition that they meet the criteria applicable under a given Share Option Plan as well as individual criteria applicable to each Eligible Person, and provided further that other conditions prescribed in these Rules are fulfilled.

The List of Eligible Persons will be determined individually for each Share Option Plan, by way of a relevant resolution adopted by the Company's Management Board, with the reservation that a Company's Management Board member may only be classified as eligible to participate in the Incentive Scheme, and the detailed conditions and criteria for such member's participation in the Incentive Scheme may only be determined, by a relevant a resolution of the Company's Supervisory Board.

Par.4 Duration

The duration of the Incentive Scheme will be determined by the Company's Management Board individually for each Share Option Plan, with the reservation that holders of Warrants may only exercise their right to acquire Series C shares as part of the conditional share capital increase by November 30th 2017.

Par.5 Share Option Plans

The Incentive Scheme will be divided into Share Option Plans in order to account for the specific conditions, criteria or persons for whom it is meant.

As part of a Share Option Plan, various criteria and terms may apply to different persons or groups of persons covered by the Share Option Plan.

The Company's Management Board is authorised to offer:

- i) under Share Option Plan I – in aggregate up to 1,166,667 Series C1 Warrants, conferring the right to acquire in aggregate up to 1,166,667 Series C shares at the issue price of PLN 0.47 per share;
- ii) under Share Option Plan II – in aggregate up to 714,285 Series C2 Warrants, conferring the right to acquire in aggregate up to 714,285 Series C shares at the issue price equal to the price of one Company share in the Public Offering;
- iii) under Share Option Plan III – in aggregate up to 2,976,188 Series C3 Warrants, conferring the right to acquire up to 2,976,188 Series C shares at the issue price per share not lower than the average price of the Company shares quoted on the WSE (calculated as the arithmetic mean of the closing prices) in the period of 45 business days immediately preceding the date of offering Series C3 Warrants to persons participating in the Share Option Plan, less a 10% discount;

to Eligible Persons whose names are included in the List of Eligible Persons.

The decision to launch any of the Share Option Plans referred to above is made by the Company's Management Board, which is also authorised to define any additional terms and conditions governing the implementation of the Incentive Scheme. Subject to other provisions of these Rules and subject to the provisions of Resolutions No. 2, 3 and 4 of the Extraordinary General Shareholders' Meeting, the Management Board is authorised to decide on:

- the duration of the Incentive Scheme and its individual components (Share Option Plans), including the launch dates and the dates for acquiring and disposing of the Warrants and Series C shares,

- the number of Warrants allocated for acquisition under a given Share Option Plan (which must not exceed the maximum number of Warrants defined above for each of the Share Option Plans), and the number of Warrants allocated for acquisition by each Eligible Person,
- detailed conditions, dates, terms and criteria for acquiring the Warrants and Series C shares by the Eligible Persons.

The Management Board's decisions referred to above, made as part of the implementation of the Incentive Scheme, should at all times take the form of resolutions, which should define at least the following terms and conditions:

- share price,
- lock-up period (if applicable),
- the person or group of persons eligible to participate in the Incentive Scheme,
- the Warrant allotment date and the option exercise period (i.e. the period when the right to acquire shares may be exercised),
- the criteria for allotment of Warrants and the circumstances in which the right to participate in the Incentive Scheme may be lost or taken away.

Subject to other provisions of these Rules, under a given Share Option Plan, the detailed conditions, criteria, terms and dates may vary with respect to each person or each group of persons covered by the Share Option Plan.

Par. 6 Lock-up Period

Series C shares acquired by the Eligible Persons under the Incentive Scheme may be subject to lock-up restrictions. The lock-up period may be determined by the Company's Management Board individually for each Share Option Plan or for each person covered by a Share Option Plan.

Par. 7 Basis for the Issue of Warrants

Resolution No. 4 of the Company's Extraordinary General Shareholders' Meeting constitutes the basis for the issue of Warrants of each Series (i.e. from C1 to C3)

Under the Incentive Scheme, the Company may distribute up to 4,857,140 Warrants, each conferring the right to acquire one Series C share.

Warrants are non-transferable and will be delivered to Eligible Persons free of charge.

The Eligible Persons who accept the Company's offer to acquire a specific number of Warrants and enter into an agreement on acquisition of warrants referred to in Par. 9 below with the Company, will be entered in the register of subscription warrants maintained by the Company. Within 14 days of concluding the agreement on acquisition of warrants, the Company will provide the Eligible Person with a certificate produced on the basis of a relevant entry in the register of subscription warrants, confirming that such Eligible Person holds an given number of Warrants.

Warrants will not be delivered in a certificated form.

Warrants will be offered to the Eligible Persons on the dates and in the numbers determined individually for each Share Option Plan.

Par.8 Basis for the Issue of Series C shares. Acquisition of Series C shares by Warrant Holders.

Resolution No. 3 of the Extraordinary General Shareholders' Meeting constitutes the basis for the issue of Series C shares.

Eligible Persons who have acquired the Warrants and have met the conditions for exercising the right to acquire Series C shares (defined individually for each Share Option Plan and individually for persons covered by a Share Option Plan) will be entitled to acquire a specified number of Series C shares within the timeframe defined individually for each Share Option Plan.

Eligible Persons will be entitled to acquire a relevant number of Series C shares at the issue price defined individually for each Share Option Plan.

Series C shares may be subject to the restrictions described in Par. 6 of these Rules.

As long as the Company shares are traded on the regulated market operated by the WSE, the Company's Management Board will apply for introducing Series C shares acquired by the Eligible Persons to trading on the regulated market operated by the WSE at least once a quarter, subject to (i) there being no lock-up restrictions referred to in Par. 6, and (ii) WSE's regulations, including lack of any restrictions.

As prescribed in Par. 3.2 of the Articles of Association, all of the Company shares are ordinary registered shares, with the exception of the shares registered in the depository maintained by the Polish NDS, which become ordinary bearer shares upon their registration in the aforementioned depository and conversion into book-entry form. Accordingly, Series C shares acquired by the Eligible Persons will also become ordinary bearer shares once registered at the Polish NDS.

Par.9 Terms and Conditions of Acquisition of Warrants

On the dates determined individually for each Share Option Plan, the Company will make an offer to each Eligible Person to acquire an individually determined number of Warrants, specifying the detailed conditions which must be met before a specific number of Series C shares can be acquired, the issue price at which the shares can be acquired and the date of acquiring the shares.

The Eligible Person accepts the offer to acquire the Warrants in writing by the date specified in the offer, with the reservation that, in order to be valid, the offer may require that an agreement be concluded between the Company and the Eligible Person, specifying the detailed terms, criteria and conditions governing the participation of a given person in the Incentive Scheme.

Pursuant to Par. 7 of Resolution No. 4 of the Extraordinary General Shareholders Meeting:

- with respect to Eligible Persons other than members of the Company's Management Board – an offer to acquire Warrants is made and an agreement on acquisition of Warrants is proposed by the Company's Management Board;
- with respect to Eligible Persons who are members of the Company's Management Board – an offer to acquire Warrants is made and an agreement on acquisition of Warrants is proposed by the Company's Supervisory Board.

In the event that in the period between the Warrant acquisition date and the first day when the right to acquire Series C shares may be exercised, the Eligible Person loses the right to acquire Series C shares, particularly due to failure to meet the conditions set forth in the agreement on acquisition of Warrants, the Company will be authorised to delete such person from the register of subscription warrants and to retire the Warrants acquired by such person.

Par. 10 Terms and Conditions of Acquisition of Series C shares

Subject to fulfilment of the conditions of participation in the Incentive Scheme, an Eligible Person will be entitled to submit to the Company a written declaration of such person's intention to exercise the right to acquire a specific number of Series C shares. Immediately upon receiving such a declaration, the Company will take steps with a view to delivering Series C shares to the Eligible Person, provided that the Eligible Person has duly paid the issue price for the Series C shares and that all the other terms and criteria for the acquisition of Series C shares by a given person have been fulfilled.

The Warrants held by an Eligible Person are retired on the date of acquiring Series C shares by such person.

Par. 11 Incentive Scheme Documents

Under pain of invalidity, any documents submitted to the Company by the Eligible Persons should be prepared in the form prescribed by the Company.

Any documents related to the Incentive Scheme are approved on behalf of the Company by the Company's Management Board.

Par. 12 Effective Date of these Rules

These Rules become effective upon their adoption by the Company's Management Board, subject to approval by the Company's Supervisory Board.

Warsaw, March 23rd 2009

Appendices:

1. Resolution No. 2 of the Extraordinary General Shareholders' Meeting
2. Resolution No. 3 of the Extraordinary General Shareholders' Meeting

Resolution No.4 of the Extraordinary General Shareholders' Meeting