

# Letter of the President of the Management Board to the Shareholders of IPOPEMA Securities S.A.

Dear Shareholders,

I present to you the Full-Year Report detailing the financial performance and achievements of the IPOPEMA Securities Group in 2014.

The past year proved to be an extremely challenging period, particularly for the brokerage business, where the investor activity on all Company markets was lower than in 2013: the trading volumes on the WSE, BSE and PSE markets went down by 6.5%, 19.9% and 14.7%, respectively. In addition, the growing competition, chiefly from foreign-based brokerage houses, translated into a lower share of IPOPEMA Securities in the value of trading on the WSE (6.98% vs. 8.88% in 2013). This resulted in lower revenue from securities trading, which went down by 22.8%, to PLN 34.9m. The situation was equally challenging on the equity market, where scepticism among investors and the tense political situation in the region prevented us from executing a number of planned transactions. Nonetheless, IPOPEMA's activity in transaction-related services (which included acting as global coordinator in the sale of Globe Trade Centre shares and as arranger and bookrunner in the public offering of bonds for Raiffeisen Polbank) enabled it to maintain revenue from investment banking services (PLN 11.7m) relatively stable on the previous year (PLN 12.2m).

Within the IPOPEMA Securities Group, the investment fund and portfolio management business (IPOPEMA TFI and IPOPEMA Asset Management) grew in importance, with revenue up by 17.4%, to PLN 42.1m, which accounted for 40.4% of the Group's consolidated revenue. The increase was attributable to both higher total value of assets under management (PLN 19.8bn at the end of 2014 vs. PLN 18.3bn in 2013) and of assets in actively managed funds (PLN 1bn at the end of 2014 vs. PLN 760m at the end of 2013). It should also be noted that in August and September 2014 IPOPEMA TFI was the largest investment fund company in terms of assets under management. As a result, the segment's net profit improved by nearly 30%, to PLN 3.9m.

An even greater improvement was seen in the consultancy services segment, where IPOPEMA Business Consulting's revenue rose by 17.9%, to (PLN 15.5m). However, the segment posted a lower net profit (PLN 1.3m vs. PLN 2.0m a year earlier) due to a 28.2% rise in the operating expenses (driven by the workforce increase related to ongoing projects and projects planned for 2016).

I am also pleased to note that in 2014 the quality of services rendered by the IPOPEMA Securities Group was yet again highly appreciated by the market. The IPOPEMA Securities team came first in the institutional investors' ranking of the best brokerage houses published by the Forbes magazine, having received the highest scores in the following categories: 'professionalism', 'confidence in the brokerage house', 'quality of service on the secondary market of the WSE' and 'quality of service on international markets'. The Company was also highly successful in the individual ranking, in which its sales traders ranked first (Arkadiusz Łabuńko) and second (Marcin Stosio). In addition, IPOPEMA Securities received awards for its participation in a number of equity transactions: 'The Best Equity House in Poland' title awarded by EMEA Finance in its Europe Banking Awards 2013, in recognition of IPOPEMA's participation in the most important transactions of 2013, and the 'Best Privatisation IPO' award for its work on the privatisation of Energa. IPOPEMA Securities was also named 'Best Financial Group Poland 2014' and 'Best Equity House 2014 Poland' by the Global Financial Market Review, a financial news website. Also IPOPEMA's team of analysts was recognised on several occasions. Piotr

Zielonka, Head of the Research Department, was again awarded the 'Stock Exchange Analyst of the Year' title in the Parkiet daily newspaper's 'Bulls and Bears' ranking. Mr Zielonka also topped, for the third time in a row, Forbes' best analyst ranking, prepared based on assessments made by institutional investors, while IPOPEMA Securities' Research Department was named the second most professional research team on the market, and the Department's recommendations were recognised as the most effective. The Department also came in second in the WarsawScan annual survey of investor relations, performed by NBS among 63 managers and analysts. In January 2015, Parkiet released a new ranking, in which IPOPEMA Securities' Research Department emerged just as successful as a year earlier, coming in second, while Piotr Zielonka, Head of the Research Department, was named Poland's best analyst for the fourth time in a row. What is more, IPOPEMA Securities topped the ranking in categories such as 'trade and distribution', 'energy' (Piotr Zielonka) and 'finance' (Iza Rokicka). In 2014, IPOPEMA TFI was named among the five institutions nominated for 'The TFI of the Year' award in a ranking compiled by the Parkiet daily newspaper, while Krzysztof Cesarz, who manages the IPOPEMA m-INDEKS FIO fund, received Parkiet's 'Golden Portfolio' award in March 2015.

The past year also saw IPOPEMA Securities take another step towards establishing its position as a regional hub as we received clearance of the Romanian Financial Supervision Authority for conducting brokerage activities in Romania and became a member of the Bucharest Stock Exchange. IPOPEMA Securities is currently developing its offering for the Romanian market.

In 2015, all companies of the IPOPEMA Securities Group will continue to focus on strengthening our market position and enhancing our competitive advantage across all business segments, placing even more focus on cost discipline. We hope these efforts will be reflected in improved financial performance and will contribute towards increasing the Group's value.

Yours faithfully,

Jacek Lewandowski  
President of the Management Board

Warsaw, March 20th 2015