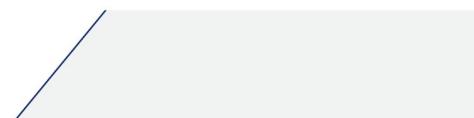


IPOPEMA Securities S.A.

# **Interim condensed financial statements**

**for H1 2011 ended June 30th 2011**

Warsaw, August 24th 2011



# COMPLIANCE STATEMENT

## We, the Management Board of IPOPEMA Securities S.A., hereby represent that:

- to the best of our knowledge, the semi-annual condensed financial statements as at June 30th 2011 and the comparative data have been prepared in compliance with the applicable accounting standards, and give a true, clear and fair view of the assets, financial standing and financial performance of IPOPEMA Securities S.A.;
- BDO Sp. z o.o., registered office at ul. Postępu 12, Warsaw, Poland, a qualified auditor of financial statements entered in the list of qualified auditors of financial statements maintained by the National Chamber of Statutory Auditors (*Krajowa Izba Biegłych Rewidentów*) under Reg. No. 3355, which reviewed the semi-annual condensed financial statements, was appointed in compliance with applicable laws. BDO Sp. z o.o. and the auditor who reviewed the condensed financial statements of IPOPEMA Securities S.A. as at June 30th 2011 meet the relevant criteria for issuing an impartial and independent report on the reviewed financial statements, in accordance with the applicable laws and professional standards.
- the Directors' Report on the Company's operations in H1 2011 gives a true picture of the Company's development, achievements and standing; it also includes a description of key risks and threats;

Warsaw, August 24th 2011

## Management Board of IPOPEMA Securities S.A.:

---

Jacek Lewandowski  
President of the  
Management Board

---

Mariusz Piskorski  
Vice-President of the  
Management Board

---

Stanisław Waczkowski  
Vice-President of the  
Management Board

---

Mirosław Borys  
Vice-President of the  
Management Board

# Financial highlights

Financial highlights	PLN '000		EUR '000	
	Six months ended		Six months ended	
	Jun 30 2011	Jun 30 2010	Jun 30 2011	Jun 30 2010
Revenue from core activities	37,245	35,930	9,388	8,973
Costs of core activities	24,939	22,189	6,286	5,541
Profit from core activities	12,306	13,741	3,102	3,432
Operating profit	11,895	12,625	2,998	3,153
Pre-tax profit	11,643	11,315	2,935	2,826
Net profit	9,246	9,093	2,331	2,271
Net earnings per ordinary share (weighted average) (PLN/EUR)	0.31	0.31	0.08	0.08
Net cash provided by/(used in) operating activities	-26,400	45,797	-6,654	11,437
Total cash flows	-23,551	42,621	-5,936	10,644

Financial highlights	PLN '000			EUR '000		
	Jun 30 2011	Dec 31 2010	June 30 2010	Jun 30 2011	Dec 31 2010	Jun 30 2010
Total assets	825,578	398,654	741,550	207,088	100,663	178,868
Current liabilities	762,411	328,184	679,274	191,243	82,868	163,846
Equity	58,998	64,082	57,501	14,799	16,181	13,870
Number of shares	29,554,801	29,342,301	28,928,553	29,554,801	29,342,301	28,928,553
Book value per share (PLN/EUR)	2.00	2.18	1.99	0.50	0.55	0.48

The individual items of the financial highlights were translated into the euro using the following exchange rates:

- Items of the income statement and statement of cash flows:

Average exchange rate calculated as the arithmetic mean of the exchange rates quoted as at the last day of each month in a given period	H1 2011	H1 2010
EUR	3.9673	4.0042

- Items of the balance sheet:

Exchange rate as at	Jun 30 2011	Dec 31 2010	Jun 30 2010
EUR	3.9866	3.9603	4.1458

# Introduction to the financial statements

## Information on the Company

The Company (under the name of Dom Maklerski IPOPEMA S.A.) was incorporated on March 2nd 2005 by Notarial Deed No. Rep. A 2640/2005, which also included the Company's Articles of Association, drawn up by Janusz Rudnicki, Notary Public of Warsaw, ul. Marszałkowska 55/73, suite 33, Warsaw, Poland. According to the aforementioned Articles of Association, the Company was established for indefinite time.

The Company's registered office is at ul. Waliców 11, Warsaw, Poland.

Pursuant to a decision issued by the District Court for the Capital City of Warsaw in Warsaw, XIX (currently XII) Commercial Division of the National Court Register, on March 22nd 2005 the Company was entered in the Register of Entrepreneurs of the National Court Register under KRS No. 0000230737.

The Company was assigned Industry Identification Number (REGON) 140086881.

On June 30th 2005, the Polish Securities and Exchange Commission (currently the Polish Financial Supervision Authority – "the PFSA") granted a brokerage licence to the Company, authorising it to conduct brokerage activities in the scope specified in 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 and business and management consultancy services form the core business of the Company.

All Company shares (a total of 29,554,801 shares) issued to date are admitted to trading on the regulated market organised by the Warsaw Stock Exchange and have been introduced to trading on the main market. May 26th 2009 was the first listing date.

## 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 in the 12 months following the balance-sheet date. As at the date of approval of these financial statements, no circumstances were identified that would pose a threat to the Company's continuing as a going concern – as a result of planned or compulsory discontinuation or material limitation of its existing business – at least in the 12 months following the balance-sheet date, i.e. June 30th 2011.

## Composition of the Management Board and the Supervisory Board

As at the date of these financial statements, the Company's Management Board was composed of:

Jacek Lewandowski – President of the Management Board,  
Miroslaw Borys – Vice-President of the Management Board,  
Mariusz Piskorski – Vice-President of the Management Board,  
Stanislaw Waczkowski – Vice-President of the Management Board.

As at the date of these financial statements, 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.

In 2011, until the date of these financial statements, there were no changes in the composition of the Management and Supervisory Boards.

## Basis for preparation of the condensed financial statements

These condensed financial statements cover the period January 1st–June 30th 2011 and contain comparative data for January 1st–June 30th 2010 (in the case of the income statement and statement of cash flows) and also as at December 31st 2010 (in the case of the balance sheet and statement of changes in equity).

These financial statements were prepared in compliance with the Polish Accounting Standards (“PAS”).

IPOPEMA Securities S.A. is the parent undertaking of three companies:

- IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A. of Warsaw, Poland (“IPOPEMA TFI”), in which it holds a 100% stake;
- IPOPEMA Business Consulting Sp. z o.o. (“IBC”) of Warsaw, in which it holds a 50,02% stake;
- IPOPEMA Business Services Kft. of Budapest, Hungary („IBS”), in which it holds a 100% stake.

The parent undertaking and its subsidiaries make up the IPOPEMA Securities Group (“the Group”, “the IPOPEMA Securities Group”). Pursuant to Art. 58.1 of the Polish Accountancy Act, IPOPEMA Business Services Kft. was not consolidated due to the immateriality of its financial data.

These interim condensed financial statements for the six months ended June 30th 2011 were approved for publication by the Management Board on August 24th 2011.

## Identification of financial statements

All financial data contained in these financial statements are presented in PLN ‘000.

These financial statements were prepared in accordance with the historical cost convention, save for financial instruments held for trading and financial instruments available for sale, which are measured at fair value.

## Selected accounting policies

### Receivables

#### Current receivables

Current receivables include all 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 after the balance-sheet date.

Receivables are measured at amounts due, subject to the prudent valuation principle. The amount of receivables is subsequently decreased by impairment losses, which are recognised based on the analysis of collectibility of receivables from individual debtors.

Impairment losses on receivables are estimated in the event of an increase of the risk that the full amount of the receivables may not be collected. Taking into consideration the nature of its business, the Company has adopted the following rules for estimating impairment losses on past due receivables:

- for receivables past due by up to six months – no impairment loss is recognised,
- for receivables past due by 6 months to 1 year – an impairment loss of 50% of the receivables amount is recognised,
- for receivables past due by more than 1 year – an impairment loss of 100% of the receivables amount is recognised.

The Company may also recognise impairment losses based on individual assessment of a receivable.

Impairment losses on receivables are charged to other operating expenses and disclosed in the income statement under increase in impairment losses on receivables. The cost connected with recognition of impairment losses is a tax-deductible expense once it has been confirmed that a particular receivable is uncollectible; otherwise, such cost is not tax-deductible.

Under receivables, the Company also discloses receivables under lease of property, plant and equipment and intangible assets to IPOPEMA Business Services. The value of the leased out property, plant and equipment and intangible assets amounted to PLN 452 thousand as at June 30th 2011, including non-current receivables of PLN 333 thousand.

Current receivables from clients, current receivables from banks conducting brokerage activities and other brokerage houses, current liabilities to clients and current liabilities to banks conducting brokerage activities and other brokerage houses

## Interim condensed financial statements of IPOPEMA Securities S.A. for H1 2011

Current receivables from clients, current receivables from banks conducting brokerage activities and other brokerage houses, current liabilities to clients and current liabilities to banks conducting brokerage activities 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 clearing houses due to the transaction settlement procedure (T+3). In the case of purchase transactions on stock exchanges made to execute orders placed by clients whose accounts are kept by custodian banks, the Group recognises current liabilities towards banks conducting brokerage activities and other 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 stock exchanges to execute orders placed by clients whose accounts are kept by custodian banks, the Group discloses current receivables from banks conducting brokerage activities and other brokerage houses (parties to the market transactions) and current liabilities towards the clients for whom the sale transactions were executed.

### Non-current receivables

Non-current receivables are receivables whose terms to maturity are longer than 12 months from the end of the reporting period.

### **Financial instruments**

Financial instruments are classified into the following categories:

#### 1. Financial assets

- financial assets held for trading,
- loans and receivables,
- financial assets held to maturity,
- financial assets available for sale.

#### 2. Financial liabilities

- financial liabilities held for trading,
- other financial liabilities.

### Financial assets and liabilities held for trading

In the category of financial assets held for trading, the Company includes securities acquired as a result of proprietary trading, as well as securities acquired as a result of erroneous transactions. They include both shares in companies listed on the Warsaw Stock Exchange ("WSE") and Budapest Stock Exchange ("BSE"), derivatives linked to equities and stock-exchange indices (options and futures) listed on the WSE, as well as forward contracts.

Financial assets held for trading are measured at fair value, determined by reference to their market value as at the balance-sheet date. For the purpose of the measurement, the Company takes into account closing prices quoted by the WSE and BSE on the last business day of the period for which the financial statements are prepared. Other types of instruments (forward contracts) have been measured using the interest rates and currency exchange rates as at the balance-sheet date. Changes in the value of financial instruments held for trading are recognised under income from or cost related to financial instruments held for trading, as appropriate.

In the category of financial liabilities held for trading, the Company includes derivative financial instruments. Both the financial assets and liabilities held for trading are listed on the WSE or the BSE, with the exception of a forward contract entered into by the Company.

Financial assets are initially recognised at cost as at the contract date, i.e. at the fair value of expenses incurred or other assets transferred in return, whereas financial liabilities are initially recognised at the contract date at the fair value of the amount or other assets received. For the purpose of measurement of the fair value as at the contract date, the Company takes into account the incurred transaction cost.

The Company does not apply hedge accounting.

#### Loans and receivables

Loans and receivables include financial assets arising when the Company delivers cash directly to the counterparty, irrespective of the maturity date of such assets. Loans and receivables are measured at adjusted purchase price, estimated using the effective interest rate method. Non-interest bearing current receivables are measured at amounts due, subject to the prudent valuation principle. Current receivables include mainly bank deposits, cash and loans advanced. Loans with terms of three and five years advanced to IPOPEMA Securities' business partners are classified under "Loans advanced". Since loans may be amortised after the repayment date, the Company applies the straight-line amortisation method with respect to the principal amount and accrued interest. Amortisation charges are disclosed under finance expenses. Additionally, loans advanced to a subsidiary have also been recognised under this item.

#### Financial assets held to maturity

Financial assets held to maturity are investments with fixed or determinable payments and fixed maturities that the Company intends and is able to hold to maturity. Financial assets held to maturity are measured at amortised cost with the effective interest rate method.

Financial assets held to maturity are classified as non-current assets if their terms to maturity are longer than 12 months from the balance-sheet date. The Company carried no financial assets held to maturity in the current or previous period.

#### Financial assets available for sale

All other financial instruments are financial assets available for sale. Financial assets available for sale are carried at fair value (without deducting the transaction costs), determined by reference to their market value as at the balance-sheet date. Under financial assets available for sale the Company has included investment certificates and, pursuant to the regulation on special accounting principles for brokerage houses, shares in subordinated undertakings.

Shares in subordinated undertakings are measured at cost less impairment. Shares in a subsidiary undertaking denominated in a foreign currency are translated into the zloty using the mid-exchange rate quoted for that foreign currency by the National Bank of Poland as at the balance-sheet date.

Investment certificates are carried at fair value, determined based on the net asset value per certificate as published by the investment fund. Any gains or losses on their measurement are taken to revaluation capital reserve.

#### Other financial liabilities

In this category, the Company classifies mainly bank loans, including overdrafts. Other financial liabilities are measured at amortised cost.

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 an instrument are transferred to an independent third party.

Acquisition and sale of financial instruments are recognised as at the transaction date. On initial recognition, they are measured at cost (fair value), including the transaction costs.

### **Impairment of financial instruments**

As at each balance-sheet date, the Company determines whether there is objective evidence of impairment of a financial instrument or a group of financial instruments.

### **Liabilities**

#### Current liabilities

Current liabilities are liabilities which are payable within 12 months from the balance-sheet date. Current liabilities include all liabilities to clients, liabilities to related undertakings, liabilities to banks conducting brokerage activities, other brokerage houses and commodity brokerage houses under executed transactions, liabilities to the National Depository 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 due. The policies followed for recognition of current liabilities under executed transactions are discussed above in the description of current receivables.

#### Non-current liabilities

Non-current liabilities are liabilities which are payable within more than 12 months from the balance-sheet date.

### **Translation of foreign-currency items**

## Interim condensed financial statements of IPOPEMA Securities S.A. for H1 2011

Transactions in currencies other than the Polish zloty are accounted for as at the transaction date, using the following exchange rates:

- 1) the exchange rate actually applied on the transaction date, resulting from the nature of the transaction – in the case of sale or purchase of foreign currencies and payment of receivables or liabilities,
- 2) the mid-exchange rate quoted for a given currency by the National Bank of Poland (the “NBP”) as at the day preceding the transaction date – in the case of payment of receivables or liabilities where the application of the exchange rate referred to in item 1 is not justified, and in the case of other transactions.

As at each balance-sheet date, monetary assets and liabilities denominated in currencies other than the Polish zloty are translated into the zloty using the mid-exchange rate quoted by the National Bank of Poland for a given currency, in effect at the end of the reporting period. The resulting currency translation differences are recognised in finance income or expenses, as appropriate.

The following exchange rates were applied for the purposes of balance-sheet valuation:

Currency	Jun 30 2011	Dec 31 2010
USD	2.7517	2.9641
EUR	3.9866	3.9603
HUF 100	1.5010	1.4206
GBP	4.4102	4.5938
UAH	0.3444	0.3722
CZK	0.1641	0.1580
CHF	3.3004	3.1639
INR 100	6.1998	6.7450

Source: NBP

### Changes in estimates

In the period covered by these financial statements, there were no changes in estimates other than changes in provisions and impairment losses on receivables, as discussed in Note 4.

### Changes in applied accounting policies

In the period covered by these financial statements, the Company applied the accounting policies described in detail in the financial statements for 2010, released on March 18th 2011.

### Comparability of the reported data

These financial statements have been presented in such a manner as to ensure their comparability, by applying uniform accounting policies in all the periods presented, which are consistent with the accounting policies adopted by the Company.

### Seasonality

The Company's operations are not subject to seasonality and thus the presented results do not show any material fluctuations over the year.



## Interim condensed financial statements of IPOPEMA Securities S.A. for H1 2011

ASSETS (PLN '000)		Note	Jun 30 2011	Dec 31 2010	Jun 30 2010
<b>I.</b>	<b>Cash and cash equivalents</b>	1	<b>70,200</b>	<b>93,462</b>	<b>82,79</b>
1.	In hand		8	9	3
2.	At banks		31,011	30,524	10,349
3.	Other cash		28,822	52,786	72,227
4.	Cash equivalents		10,359	10,143	-
<b>II.</b>	<b>Current receivables</b>	2, 4	<b>738,665</b>	<b>281,748</b>	<b>641,094</b>
1.	From clients		363,553	165,094	277,121
2.	From related undertakings	13	846	723	1,052
3.	From banks conducting brokerage activities, other brokerage houses and commodity brokerage houses		343,903	94,211	331,806
a)	under executed transactions		343,903	94,211	331,806
4.	From entities operating regulated markets and commodity exchanges		9	9	28
5.	From the National Depository for Securities and exchange clearing houses		30,143	21,048	24,681
6.	From issuers of securities or selling shareholders		-	52	-
7.	Taxes, subsidies and social security receivable		-	396	-
8.	Other		211	215	6,406
<b>III.</b>	<b>Financial instruments held for trading</b>		<b>2,330</b>	<b>8,853</b>	<b>3,956</b>
1.	Shares		2,330	8,828	3,877
2.	Derivative instruments		-	25	79
<b>IV.</b>	<b>Current prepayments and accrued income</b>		<b>1,158</b>	<b>388</b>	<b>302</b>
<b>V.</b>	<b>Financial instruments held to maturity</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>VI.</b>	<b>Financial instruments available for sale</b>		<b>6,424</b>	<b>6,450</b>	<b>6,391</b>
1.	Shares and other equity interests		6,008	6,007	6,007
	- in subordinated undertakings		6,008	6,007	6,007
2.	Investment certificates		416	443	384
<b>VII.</b>	<b>Non-current receivables</b>		<b>433</b>	<b>493</b>	<b>100</b>
<b>VIII</b>	<b>Non-current loans advanced</b>		<b>2,464</b>	<b>2,865</b>	<b>3,484</b>
1.	Other		2,464	2,865	3,484
<b>IX.</b>	<b>Intangible assets</b>		<b>1,873</b>	<b>1,842</b>	<b>1,573</b>
1.	Acquired permits, patents, licenses and similar assets, including:		1,873	1,842	1,573
	- computer software		1,873	1,842	1,573
<b>X.</b>	<b>Property, plant and equipment</b>		<b>1,288</b>	<b>1,301</b>	<b>1,143</b>
1.	Tangible assets, including:		1,240	1,298	1,117
a)	computer assemblies		658	702	597
b)	other tangible assets		582	596	520
2.	Tangible assets under construction		48	3	26
<b>XI.</b>	<b>Non-current prepayments and accrued income</b>		<b>743</b>	<b>1,252</b>	<b>928</b>
1.	Deferred tax assets	8	743	1,252	928
<b>Total assets</b>			<b>825 578</b>	<b>398 654</b>	<b>741 550</b>

Warsaw, August 24th 2011

\_\_\_\_\_  
 Jacek Lewandowski  
 President of the Management Board

\_\_\_\_\_  
 Mariusz Piskorski  
 Vice-President of the Management Board

\_\_\_\_\_  
 Stanisław Waczkowski  
 Vice-President of the Management Board

\_\_\_\_\_  
 Mirosław Borys  
 Vice-President of the Management Board

\_\_\_\_\_  
 Danuta Ciosek  
 Chief Accountant

EQUITY AND LIABILITIES (PLN '000)		Note	Jun 30 2011	Dec 31 2010	Jun 30 2010
<b>I.</b>	<b>Current liabilities</b>	3	<b>762,411</b>	<b>328,184</b>	<b>679,274</b>
1.	To clients		314,210	120,469	334,919

**Interim condensed financial statements of IPOPEMA Securities S.A. for H1 2011**

2. To related undertakings	13	405	-	18
3. To banks conducting brokerage activities, other brokerage houses and commodity brokerage houses		415,815	190,456	324,569
a) under executed transactions		415,815	190,456	324,569
4. To entities operating regulated markets and commodity exchanges		1,753	758	800
5. To the National Depository for Securities and exchange clearing houses		1,796	2,159	887
6. Loans and borrowings		10,139	7,481	9,998
a) from related undertakings		-	-	-
b) other		10,139	7,481	9,998
7. Taxes, customs duties and social security payable		1,058	698	1,121
8. Salaries and wages		30	-	-
9. Other		17,205	6,163	6,962
<b>II. Non-current liabilities</b>		-	-	-
<b>III. Accruals and deferred income</b>		-	-	-
<b>IV. Provisions for liabilities</b>	4	<b>4,169</b>	<b>6,388</b>	<b>4,775</b>
1. Deferred tax liabilities	8	400	288	301
2. Other		3,769	6,100	4,474
a) non-current		-	-	-
b) current		3,769	6,100	4,474
<b>V. Subordinated liabilities</b>		-	-	-
<b>VI. Equity</b>		<b>58,998</b>	<b>64,082</b>	<b>57,501</b>
1. Share capital	5	2,955	2,934	2,893
2. Reserve funds		46,768	45,665	45,512
a) share premium account		8,474	7,433	7,280
b) statutory reserve funds		985	978	964
c) reserve funds created pursuant to the Articles of Association		37,309	37,254	37,268
3. Revaluation capital reserve		29	52	3
4. Retained earnings		-	-	-
5. Net profit	9, 11	9,246	15,431	9,093
<b>Total equity and liabilities</b>		<b>825,578</b>	<b>398,654</b>	<b>741,550</b>
Book value (PLN '000)		58,998	64,082	57,501
Number of shares as at end of period		29,554,801	29,342,301	28,928,553
Book value per share (PLN)		2.00	2.18	1.99
Diluted number of shares		29,744,004	29,299,121	29,498,513
Diluted book value per share (PLN)		1.98	2.18	1.95

Warsaw, August 24th 2011

\_\_\_\_\_  
Jacek Lewandowski  
President of the Management Board

\_\_\_\_\_  
Mariusz Piskorski  
Vice-President of the Management Board

\_\_\_\_\_  
Stanisław Waczkowski  
Vice-President of the Management Board

\_\_\_\_\_  
Mirosław Borys  
Vice-President of the Management Board

\_\_\_\_\_  
Danuta Ciosek  
Chief Accountant

<b>OFF-BALANCE-SHEET ITEMS (PLN '000)</b>	<b>Note</b>	<b>Jun 30 2011</b>	<b>Dec 31 2010</b>	<b>Jun 30 2010</b>
I. Contingent liabilities	6	-	-	-

Interim condensed financial statements of IPOPEMA Securities S.A. for H1 2011

II.	Third-party assets used	-	-	-
III.	Futures and forwards purchased or written in the name and for the account of the brokerage house	10,484*	17,159*	13,079*

\* a forward contract and the notional value of futures purchased by the Company acting as a market maker of the futures market; an open position in an equity contract is usually hedged by an offsetting transaction in shares (arbitrage transactions).

Warsaw, August 24th 2011

\_\_\_\_\_  
 Jacek Lewandowski  
 President of the  
 Management Board

\_\_\_\_\_  
 Mariusz Piskorski  
 Vice-President of the  
 Management Board

\_\_\_\_\_  
 Stanisław Waczkowski  
 Vice-President of the  
 Management Board

\_\_\_\_\_  
 Mirosław Borys  
 Vice-President of the  
 Management Board

\_\_\_\_\_  
 Danuta Ciosek  
 Chief Accountant

Income statement (PLN '000)	Note	H1 2011	H1 2010
<b>I. Revenue from brokerage activities, including:</b>		<b>37,245</b>	<b>35,930</b>
- from related undertakings	13	58	-
1. Fee and commission income		34,323	32,536
a) from transactions in financial instruments made in the name of the Company but for the account of the order placing party		31,126	25,408
b) from offering financial instruments		2,095	1,212
c) other		1,102	5,916
2. Other income		2,922	3,394
a) from offering financial instruments		270	616
b) from discretionary management of third-party securities portfolios		170	73
c) other		2,482	2,705
<b>II. Cost of brokerage activities</b>		<b>24,939</b>	<b>22,189</b>
- from related undertakings	13	473	725
1. Fees payable to regulated markets, commodity exchanges, the National Depository for Securities and exchange clearing houses		6,543	6,110
2. Fees payable to commercial chamber		-	-
3. Salaries and wages		11,862	10,052
4. Social security and other benefits		443	696
5. Employee benefits		63	60
6. Materials and energy used		237	199
7. Costs of maintenance and lease of buildings		432	427
8. Depreciation and amortisation		515	395
9. Taxes and other public charges		790	606
10. Other		4,054	3,644
<b>III. Profit from (loss on) brokerage activities</b>		<b>12,306</b>	<b>13,741</b>
<b>IV. Income from financial instruments held for trading</b>		<b>1,493</b>	<b>900</b>
1. Dividends and other profit distributions		12	71
2. Revaluation adjustments		265	170
3. Gain on sale/redemption		1,216	659
4. Other		-	-
<b>V. Cost related to financial instruments held for trading</b>		<b>1,921</b>	<b>2,055</b>
1. Revaluation adjustments		226	630
2. Loss on sale/redemption		1,695	1,425
<b>VI. Gain (loss) on transactions in financial instruments held for trading</b>		<b>- 428</b>	<b>- 1,155</b>
<b>VII. Income from financial instruments available for sale</b>		<b>-</b>	<b>-</b>
1. Revaluation adjustments		-	-
<b>VIII. Cost related to financial instruments available for sale</b>		<b>-</b>	<b>-</b>
<b>IX. Gain (loss) on transactions in financial instruments available for sale</b>		<b>-</b>	<b>-</b>
<b>X. Other operating income</b>		<b>125</b>	<b>108</b>
1. Other		125	108
<b>XI. Other operating expenses</b>		<b>128</b>	<b>10</b>
1. Other		128	10
<b>XII. Difference between provisions and impairment losses on receivables</b>		<b>20</b>	<b>- 59</b>
1. Decrease in impairment losses on receivables		27	90
2. Increase in impairment losses on receivables		7	149
<b>XIII. Operating profit</b>		<b>11,895</b>	<b>12,625</b>
<b>XIV. Finance income</b>		<b>1,511</b>	<b>1,575</b>

**Interim condensed financial statements of IPOPEMA Securities S.A. for H1 2011**

1.	Interest on loans advanced, including:	34	24
	- from related undertakings	9	24
2.	Interest on deposits	628	360
	- from related undertakings	-	-
3.	Other interest	9	38
4.	Foreign exchange gains	99	650
	a) realised	57	-
	b) unrealised	42	650
5.	Other	741	503
<b>XV.</b>	<b>Finance expenses</b>	<b>1,763</b>	<b>2,885</b>
1.	Interest on loans, including:	406	470
	- to related undertakings	-	-
2.	Other interest	3	-
3.	Foreign exchange losses	-	175
	a) realised	-	175
	b) unrealised	-	-
4.	Other	1,354	2,240
<b>XVI.</b>	<b>Profit before extraordinary items</b>	<b>11,643</b>	<b>11,315</b>
<b>XVII.</b>	<b>Pre-tax profit</b>	<b>11,643</b>	<b>11,315</b>
<b>XVIII.</b>	<b>Corporate income tax</b>	<b>2,397</b>	<b>2,222</b>
<b>XIX.</b>	<b>Net profit</b>	<b>9,246</b>	<b>9,093</b>
	Weighted average number of ordinary shares	29,486,707	28,928,553
	Earnings per ordinary share (PLN)	0.31	0.31
	Weighted average diluted number of ordinary shares	29,744,004	29,498,513
	Diluted earnings per ordinary share (PLN)	0.31	0.31

Warsaw, August 24th 2011

\_\_\_\_\_  
Jacek Lewandowski  
President of the  
Management Board

\_\_\_\_\_  
Mariusz Piskorski  
Vice-President of the  
Management Board

\_\_\_\_\_  
Stanisław Waczkowski  
Vice-President of the  
Management Board

\_\_\_\_\_  
Miroslaw Borys  
Vice-President of the  
Management Board

\_\_\_\_\_  
Danuta Ciosek  
Chief Accountant

STATEMENT OF CASH FLOWS (PLN' 000)	Note	H1 2011	H1 2010
<b>A. NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES</b>			
<b>I. Net profit</b>		<b>9,246</b>	<b>9,093</b>
<b>II. Total adjustments</b>		<b>- 35,646</b>	<b>36,704</b>
1. Depreciation and amortisation		515	395
2. Foreign exchange gains/(losses)		- 33	- ,666
3. Interest and profit distributions (dividends)		144	289
4. Gain (loss) on investing activities		372	260
5. Change in provisions and impairment losses on receivables		- 2,234	- 1,843
6. Change in financial instruments held for trading		6,522	389
7. Change in receivables		- 456,870	- 317,093
8. Change in current liabilities (net of loans and borrowings), including special accounts		416,200	354,614
9. Change in accruals and deferrals		- 262	359
<b>III. Net cash provided by (used in) operating activities (I + II)</b>		<b>- 26,400</b>	<b>45,797</b>
<b>B. NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES</b>			
<b>I. Cash provided by investing activities</b>		<b>76</b>	<b>5,158</b>
1. Disposal of financial instruments available for sale and held to maturity		-	5,000
2. Profit distributions (dividends) received		4	18
3. Decrease in loans advanced		6	6
4. Interest received		-	134
5. Other		66	-
<b>II. Cash used in investing activities</b>		<b>541</b>	<b>4,324</b>
1. Acquisition of intangible assets		307	300
2. Acquisition of property, plant and equipment		226	11
3. Non-current loans advanced		-	3,445
4. Other cash used in investing activities		8	568
<b>III. Net cash provided by (used in) investing activities (I - II)</b>		<b>- 465</b>	<b>834</b>
<b>C. NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES</b>			
<b>I. Cash provided by financing activities</b>		<b>3,720</b>	<b>1,294</b>
1. Increase in current loans and borrowings		2,657	1,294
2. Proceeds from issue of shares		1,063	-
<b>II. Cash used in financing activities</b>		<b>406</b>	<b>5,304</b>
1. Repayment of current loans and borrowings		-	4,899
2. Interest paid		406	405
<b>III. Net cash provided by (used in) financing activities (I - II)</b>		<b>3,314</b>	<b>- 4,010</b>
<b>TOTAL NET CASH FLOWS (A.III +/- B.III +/- C.III)</b>		<b>-23,551</b>	<b>42,621</b>
<b>BALANCE-SHEET CHANGE IN CASH, including:</b>		<b>-23,478</b>	<b>43,003</b>
- change in cash resulting from foreign exchange differences		73	382
<b>CASH AT BEGINNING OF PERIOD</b>	14	<b>83,363</b>	<b>39,576</b>
<b>CASH AT END OF PERIOD (F +/- D), including:</b>	14	<b>59,812</b>	<b>82,197</b>
- restricted cash		9,169	9,535

Warsaw, August 24th 2011

Jacek Lewandowski  
President of the Management Board

Mariusz Piskorski  
Vice-President of the Management Board

Stanisław Waczkowski  
Vice-President of the Management Board

Mirosław Borys  
Vice-President of the Management Board

Danuta Ciosek  
Chief Accountant

## Interim condensed financial statements of IPOPEMA Securities S.A. for H1 2011

STATEMENT OF CHANGES IN EQUITY (PLN' 000)	H1 2011	2010	H1 2010
<b>I. EQUITY AT BEGINNING OF PERIOD (OPENING BALANCE)</b>	<b>64,082</b>	<b>48,405</b>	<b>48,405</b>
- changes in adopted accounting policies	-	-	-
- correction of errors	-	-	-
<b>I.a. EQUITY AT BEGINNING OF PERIOD AFTER ADJUSTMENTS</b>	<b>64,082</b>	<b>48,405</b>	<b>48,405</b>
1. Share capital at beginning of period	2,934	2,893	2,893
1.1. Changes in share capital	21	41	-
a) increase	21	41	-
- issue of shares	21	41	-
1.2. Share capital at end of period	2,955	2,934	2,893
2. Reserve funds at beginning of period	45,665	32,822	32,822
2.1. Changes in reserve funds	1,103	12,843	12,690
a) increase	1,103	12,843	12,690
- distribution of profit (statutory)	7	-	-
- distribution of profit (above statutory minimum)	55	12,690	12,690
- share premium account	1,041	153	-
2.2. Reserve funds at end of period	46,768	45,665	45,512
3. Revaluation capital reserve at beginning of period	52	-	-
3.1. Changes in revaluation capital reserve	- 23	52	3
a) increase	5	52	3
- revaluation of financial instruments	5	52	3
a) decrease	28	-	-
- revaluation of financial instruments	28	-	-
3.2. Revaluation capital reserve at end of period	29	52	3
4. Retained earnings/(deficit) at beginning of period	15,431	12,690	12,690
4.1. Retained earnings at beginning of period	15,431	12,690	12,690
a) increase	-	-	-
b) decrease	15,431	12,690	12,690
- distribution of retained earnings (dividend)	15,369	-	-
- distribution of retained earnings (increase in reserve funds)	62	12,690	12,690
4.2. Retained earnings /(deficit) at end of period	-	-	-
5. Net profit (loss)	9,246	15,431	9,093
a) net profit	9,246	15,431	9,093
b) net loss	-	-	-
<b>II. EQUITY AT END OF PERIOD (CLOSING BALANCE)</b>	<b>58,998</b>	<b>64,082</b>	<b>57,501</b>
<b>III. EQUITY AFTER PROPOSED DISTRIBUTION OF PROFIT</b>	<b>58,998</b>	<b>64,082</b>	<b>57,501</b>

Warsaw, August 24th 2011

\_\_\_\_\_  
 Jacek Lewandowski  
 President of the  
 Management Board

\_\_\_\_\_  
 Mariusz Piskorski  
 Vice-President of the  
 Management Board

\_\_\_\_\_  
 Stanisław Waczkowski  
 Vice-President of the  
 Management Board

\_\_\_\_\_  
 Mirosław Borys  
 Vice-President of the  
 Management Board

\_\_\_\_\_  
 Danuta Ciosek  
 Chief Accountant

# Notes to the interim financial statements

## Note 1

<b>Cash and other assets (PLN '000)</b>	<b>Jun 30 2011</b>	<b>Dec 31 2010</b>	<b>Jun 30 2010</b>
<b>Cash and other assets of clients</b>			
a) at banks and in hand	13,442	49,148	44,232
b) other *	-	-	-
<b>Total cash and other assets of clients</b>	<b>13,442</b>	<b>49,148</b>	<b>44,232</b>
<b>Cash and other assets:</b>			
a) cash and other assets of the brokerage house, including:	56,758	44,314	38,347
- in hand	8	9	3
- at banks	31,011	30,524	10,349
- other cash *	25,739	13,781	27,995
b) cash and other assets of clients deposited in cash accounts	13,442	49,148	44,232
- at the brokerage house and paid towards acquisition of securities	13,442	49,148	44,232
- in an IPO or on the primary market	-	-	-
c) cash and other assets transferred from the settlement guarantee fund	-	-	-
<b>Total cash and other assets</b>	<b>70,200</b>	<b>93,462</b>	<b>82,579</b>

\* "other" and "other cash" items include cash in bank deposits and interest accrued on the deposits.

## Note 2

<b>Selected current receivables (PLN '000)</b>	<b>Jun 30 2011</b>	<b>Dec 31 2010</b>	<b>Jun 30 2010</b>
<b>1. Selected current receivables</b>	<b>738,454</b>	<b>281,085</b>	<b>634,688</b>
a) from clients, including:	363,553	165,094	277,121
- under transactions executed on the Warsaw Stock Exchange	303,147	156,322	257,322
- under transactions executed on the Budapest Stock Exchange	58,109	6,457	18,413
- other	2,297	2,315	1,386
b) from related undertakings, including:	846	723	1,052
- from subsidiary undertakings	802	723	1,052
- from other related undertakings	44	-	-
c) from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses	343,903	94,211	331,806
- under transactions executed on the Warsaw Stock Exchange	249,729	87,912	275,986
- under transactions executed on the Budapest Stock Exchange	94,174	6,299	55,820
d) from entities operating regulated markets and commodity exchanges	9	9	28
- from the WSE	9	9	28
d) from the National Depository for Securities and exchange clearing houses, including	30,143	21,048	24,681
- from the settlement guarantee fund	30,143	21,048	24,681
e) receivables under court proceedings for which impairment losses were recognised	-	-	-
<b>2. Net current receivables</b>	<b>738,665</b>	<b>281,748</b>	<b>641,094</b>
- impairment losses on current receivables (positive value)	2,193	2,213	2,202
<b>Gross current receivables</b>	<b>740,858</b>	<b>283,961</b>	<b>643,296</b>

The value of current receivables from client banks under executed transactions and from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses represents the value of purchase and sale transactions in securities which have been executed but not yet settled.

## Note 3



<b>Selected current liabilities (PLN '000)</b>	<b>Jun 30 2011</b>	<b>Dec 31 2010</b>	<b>Jun 30 2010</b>
<b>Selected current liabilities</b>	<b>436,974</b>	<b>199,536</b>	<b>333,236</b>
<b>1. To related undertakings</b>	<b>405</b>	<b>-</b>	<b>18</b>
a) to subsidiary undertakings	405	-	-
b) to other related undertakings	-	-	18
<b>2. To banks conducting brokerage activities, other brokerage houses and commodity brokerage houses</b>	<b>415,815</b>	<b>190,456</b>	<b>324,569</b>
a) under transactions executed on the Warsaw Stock Exchange	334,618	178,597	271,860
b) under transactions executed on the Budapest Stock Exchange	81,197	11,859	52,709
<b>3. To entities operating regulated markets and commodity exchanges</b>	<b>1,753</b>	<b>758</b>	<b>800</b>
a) to the Warsaw Stock Exchange	1,610	678	590
b) to the Budapest Stock Exchange	143	80	210
<b>4. To the National Depository for Securities and exchange clearing houses</b>	<b>1,796</b>	<b>2,159</b>	<b>887</b>
a) under contributions to the settlement guarantee fund	1,355	1,965	741
b) other	441	194	146
<b>6. Other</b>	<b>17,205</b>	<b>6,163</b>	<b>6,962</b>
a) dividend	15,368	-	-
b) other liabilities, including:	1,837	6,163	6,962
- financial liabilities (valuation of derivatives)	115	98	138
- other liabilities	1,722	6,065	6,824

As at June 30th 2011, the Company's liabilities under loans related to its brokerage business amounted to PLN 10,139 thousand, compared with PLN 7,481 thousand as at December 31st 2010 and PLN 9,998 thousand as at June 30th 2010.

The above liabilities under loans are related to the Company's brokerage business, as part of which on July 22nd 2009 the Company executed two working-capital overdraft facility agreements to finance payment of the Company's liabilities to the National Depository for Securities. On July 20th 2010, the Company executed annexes to the agreements under which the term of the two agreements described below was extended by another year, i.e. until July 19th 2012:

1. agreement providing for a revolving credit facility of up to PLN 10m. The purpose of the facility is to finance payment of the Company's liabilities to the National Depository for Securities in respect of the settlement of transactions concluded by the Company on the regulated market as part of its brokerage business. The facility is secured with a blank promissory note with a promissory note declaration, a power of attorney over the accounts held with the Bank, and a security deposit of PLN 4m (in the form of a time deposit) as joint collateral securing also the credit facility specified in item 2.
2. agreement providing for a revolving credit facility of up to PLN 30m. The purpose of the facility is to finance payment of the Company's liabilities resulting from its membership in the Stock-Exchange Transactions Settlement Guarantee Fund operated by the Polish NDS. The facility is secured with a blank promissory note with a promissory note declaration and a power of attorney over the accounts held with the Bank. According to the information provided in item 1 above, the two credit facilities are also secured with the joint collateral in the form of a PLN 4m security deposit established pursuant to the annex of July 20th 2011, which replaced the previous security in the form of a block on funds of PLN 10m.

## Note 4

### Changes in provisions and impairment losses on receivables

In H1 2011, other provisions for liabilities decreased by PLN 2,331 thousand relative to December 31st 2010. In the comparative period, i.e. H1 2010, provisions declined by PLN 1,991 thousand, while in 2010 provisions for liabilities fell by PLN 365 thousand.

In H1 2011, impairment losses on receivables were down by PLN 20 thousand relative to December 31st 2010. In the comparative period, i.e. H1 2010, impairment losses on receivables increased by PLN 59 thousand, while in 2010 they went up by PLN 70 thousand.

## Note 5

<b>Share capital</b>	<b>Jun 30 2011</b>	<b>Dec 31 2010</b>	<b>Jun 30 2010</b>
----------------------	--------------------	--------------------	--------------------

## Interim condensed financial statements of IPOPEMA Securities S.A. for H1 2011

a) par value per share (PLN)	0.10	0.10	0.10
b) series/issue	A, B, C	A, B, C	A, B, C
c) type of shares	ordinary bearer shares	ordinary bearer shares	ordinary bearer shares
d) preference attached to shares	none	none	none
e) restrictions on rights attached to shares	none	none	none
f) number of shares	29,554,801	29,342,301	28,928,553
g) total par value of series/issue (PLN '000)	2,955	2,934	2,893
h) type of contribution	cash	cash	cash
i) dividend right (since)	shares carry the right to distribution of profit for 2011 and 2010	shares carry the right to distribution of profit for 2010, and carried the right to distribution of profit for 2009	shares carry the right to distribution of profit for 2010, and carried the right to distribution of profit for 2009

Pursuant to the Company's Articles of Association, the Management Board (upon the approval of the Supervisory Board) was authorised to increase the share capital by an aggregate of PLN 350,000, through the issue of up to 3,500,000 shares within three years from the date on which the Articles of Association including the authorisation were entered in the Register of Entrepreneurs (authorised capital). The above period expired on January 23rd 2011, triggering the expiry of the authorisation. On June 29th 2011, the Annual General Shareholders Meeting again authorised the Management Board to increase the share capital by the same amount and within the same time frame, i.e. three years from the date of registering the relevant amendment to the Articles of Association. Until the date of these financial statements, the amendment had not been registered.

The Company's Articles of Association also provided for a conditional share capital increase by up to PLN 485,714 through the issue of up to 4,857,140 shares for the purpose of the implementation of the Company's incentive scheme. Out of that number, a total of 983,391 shares have been issued and delivered, including 212,500 shares in the first quarter of 2011 and 413,748 shares in 2010. For more information on the Company's incentive scheme, see Note 7.

As a result of the subscription for the above shares, the Company's share capital increased in H1 2011 by PLN 21,250 and by PLN 41,374.80 in 2010.

As at June 30th 2011, the share capital amounted to PLN 2,955,480.10 (December 31st 2010: PLN 2,934,230.10; June 30th 2010: PLN 2,892,855.30) and was divided into 7,000,000 Series A ordinary bearer shares, 21,571,410 Series B ordinary bearer shares, and 983,391 Series C ordinary bearer shares.

### Sale of Company shares by related parties

On April 12th 2011, sale transactions were executed involving Company shares as a result of which certain Management and Supervisory Board members, or persons related to them, sold in aggregate 2,663,808 IPOPEMA Securities shares. Detailed information on these transactions was published by the Company in Current Report No. 11/2011 of April 12th 2011.

## Note 6

### Contingent liabilities and assets

As at June 30th 2011, December 31st 2010 and June 30th 2010, the Company did not carry any contingent liabilities or assets.

## Note 7

### Incentive scheme

In H1 2011, under Share Option Plan II, eligible persons subscribed for 212,500 shares. In the comparative period, i.e. H1 2010, no shares were acquired as part of the incentive scheme, but over the entire 2010 eligible persons acquired (under Share Option Plan I) a total of 413,748 shares.

The cost of the incentive schemes discussed above is not recognised in the separate financial statements, as the Polish Accountancy Act stipulates no such requirement. This cost is recognised in the consolidated financial statements of the IPOPEMA Securities Group. In connection with the transition to financial reporting compliant with the International Financial Reporting Standards, it was necessary to account for the effect of valuation of the option plans implemented by the Group in the Group's consolidated financial statements.

## Interim condensed financial statements of IPOPEMA Securities S.A. for H1 2011

In total, on a consolidated basis, the cost of the option plans increased the cost of salaries and wages in H1 2011 by PLN 79 thousand, affecting the bottom line of IPOPEMA Securities S.A. In the comparative period, i.e. H1 2010, the cost of these plans increased the cost of salaries and wages by PLN 558 thousand, of which PLN 302 thousand was allocated to IPOPEMA TFI S.A., and the remaining amount (PLN 256 thousand) to IPOPEMA Securities S.A.

The option plans were valued using the Black-Scholes model, adjusted by the continuous yield dividend and dilution effect (decrease in the value of individual shares as a result of issuing new shares at a price below market price).

### Note 8

#### Deferred income tax

In H1 2011, deferred tax liability increased by PLN 112 thousand. In H1 2010, deferred tax liability grew by PLN 90 thousand, while in 2010 it was up by PLN 77 thousand.

Deferred tax assets decreased in H1 2011 by PLN 509 thousand. In H1 2010, deferred tax assets fell by PLN 304 thousand, while in 2010 it grew by PLN 20 thousand.

### Note 9

#### Distribution of profit

On June 29th 2011, the General Shareholders Meeting resolved to allocate the 2010 profit of PLN 15,431 thousand to dividend. The amount of dividend per share was rounded down to the nearest full grosz, and the difference between the amount of net profit for 2010 and the amount of dividend payable to shareholders after the rounding down was contributed to the Company's reserve funds.

### Note 10

#### Issue, redemption and repayment of equity and non-equity securities

In H1 2011, the parent undertaking issued 212,500 Series C shares. For more information, see Note 7.

### Note 11

#### Dividend paid or declared

In H1 2011 and in 2010, the Company paid no dividend.

On June 29th 2011, the General Shareholders Meeting resolved to allocate the 2010 profit of PLN 15,431 thousand to dividend. The amount of dividend per share was PLN 0.52. The dividend record date was set for July 15th 2011 (dividend record date), and the dividend payment date – for July 29th 2011. On the dividend payment date, a total of PLN 15,368 thousand was paid out as dividend. The amount paid out was lower than the 2010 profit by PLN 62 thousand, which was the effect of the rounding off and, pursuant to the above resolution of the General Shareholders Meeting, was contributed to the Company's reserve funds.

### Note 12

#### Material related-party transactions (including the amounts involved) other than arm's length transactions

In the periods covered by these financial statements, the Company did not enter into any material related-party transactions otherwise than on arm's length terms.

### Note 13

#### Related-party transactions – income and expenses (PLN '000)

Related party	Revenue from	Other operating	Purchases –	Other purchases	Revenue from	Other operating	Purchases –	Other purchases
---------------	--------------	-----------------	-------------	-----------------	--------------	-----------------	-------------	-----------------

Interim condensed financial statements of IPOPEMA Securities S.A. for H1 2011

	Jan 1 – Jun 30 2011				Jan 1 – Jun 30 2010			
	brokerage activities	income	brokerage activities		brokerage activities	income	brokerage activities	
IPOPEMA BC	-	-	-	-	-	-	-	-
IPOPEMA TFI	-	30	35	-	-	81	-	-
IPOPEMA Business Services Kft.	-	58	401	58	-	23	-	-
Members of the Management Board and Supervisory Board	58	-	37	-	-	-	708	-
Other related parties	-	-	-	-	-	-	17	4
<b>Total</b>	<b>58</b>	<b>88</b>	<b>473</b>	<b>58</b>	<b>-</b>	<b>104</b>	<b>725</b>	<b>4</b>

Related-party transactions – receivables and liabilities

Related party	Receivables			Liabilities		
	Jun 30 2011	Dec 31 2010	Jun 30 2010	Jun 30 2011	Dec 31 2010	Jun 30 2010
IPOPEMA BC	-	9	-	-	-	-
IPOPEMA TFI	-	7	61	-	-	-
IPOPEMA Business Services	1,135	1,099	991	405	-	-
Members of the Management Board and Supervisory Board	43	-	-	-	-	18
Other related parties	-	-	-	-	-	-
<b>Total</b>	<b>1,178</b>	<b>1,115</b>	<b>1,052</b>	<b>405</b>	<b>-</b>	<b>18</b>

IPOPEMA Securities also provides brokerage services to funds managed by IPOPEMA TFI S.A., but the related transaction costs are charged directly to the funds.

## Note 14

### Items of the statement of cash flows

Operating activities – provision of brokerage and consultancy services, acting as market maker to perform tasks related to the organisation of the regulated market, acquisition and disposal of securities in the capacity of a dealer.

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.

## Structure of cash

	Presentation in the balance sheet		Presentation in the statement of cash flows	
	Jun 30 2011	Jun 30 2010	Jun 30 2011	Jun 30 2010
<b>Cash and cash equivalents</b>	<b>70,200</b>	<b>82,579</b>	<b>59,812</b>	<b>82,197</b>
1. In hand	8	3	8	3
2. At banks	31,011	10,349	30,982	10,349
3. Other cash	28,822	72,227	28,822	71,845
4. Cash equivalents (deposits > 3 months)	10,359	-	-	-
Change in cash resulting from foreign exchange differences	-	-	73	382

The difference between cash disclosed in the balance sheet and in the statement of cash flows as at June 30th 2011 is attributable to foreign exchange gains of PLN 29 thousand.

The difference between cash disclosed in the balance sheet and in the statement of cash flows as at June 30th 2010 is attributable to foreign exchange differences of PLN 382 thousand.

## Differences in changes in balance-sheet items

	Presentation in the balance sheet		Balance-sheet change	Presentation in the statement of cash flows – change
	Jun 30 2011	Dec 31 2010		
Gross (current and non-current) receivables	743,755	287,319	456,436	456,870
Net receivables	741,562	285,106		
Impairment losses on receivables	2,193	2,213		- 20
Provisions	4,162	6,376		- 2,214
Deferred income tax taken to equity	7	12		
<b>Total change in impairment losses and provisions</b>				<b>- 2,234</b>

The difference between the balance-sheet change in gross receivables and the amount shown in the statement of cash flows is attributable to elimination from receivables of receivables under loans advanced, disclosed under investing activities.

## Explanation to other items of the statement of cash flows

"Other cash provided by investing activities" for the period January 1st–June 30th 2011 includes repayment of interest on loans advanced of PLN 6 thousand and a change in lease receivables by PLN 60 thousand. These items were absent in the comparative period.

The item "Other cash used in investing activities" for the period January 1st–June 30th 2011 included current loans advanced in the amount of PLN 8 thousand. In the comparative period, i.e. H1 2010, this item included current loans advanced of PLN 568 thousand.

## Note 15

## Financial instruments of clients

As at June 30th 2011, financial instruments registered in clients' accounts totalled PLN 291,162 thousand, compared with PLN 175,688 thousand as at December 31st 2010 and PLN 211,900 thousand as at June 30th 2010.

The Company also operates a sponsor's account, in which financial instruments in book-entry form listed on the WSE were registered. As at June 30th 2011, their value amounted to PLN 225,504 thousand, compared with PLN 334,647 thousand as at December 31st 2010 and PLN 228,767 thousand as at June 30th 2010.

## Note 16

### Operating segments

The Company's business is not divided into separate operating segments, and thus the Company as a whole forms a single segment. The IPOPEMA Securities segment comprises brokerage activities, as well as business and management consultancy. It is to the IPOPEMA Securities segment that the information presented in these financial statements relates.

## Note 17

### Court proceedings

On January 13th 2009, IPOPEMA Securities S.A. filed with the Regional Court a suit for payment of past due receivables of PLN 891 thousand. As at the date of preparation of these financial statements, the proceedings were still pending. Impairment losses were recognised (in 2008) for the full amount of the disputed receivables. In the periods covered by these financial statements, the Group was not party to any other court proceedings.

## Note 18

### Other events and factors in H1 2011

#### Conditions on equity markets of the WSE and BSE

In H1 2011, the WSE's WIG index continued its climb started in March 2009. An upward trend was also seen in monthly trading values – PLN 42.9bn in the period January–June 2011, compared with PLN 33.3bn in the corresponding period of 2010. Moreover, IPOPEMA Securities' share in stock trading increased slightly, from 8.47% in H1 2010 to 8.62% in H1 2011.

On the Budapest Stock Exchange, monthly trading value in the period January–June 2011 was 40.8% lower than in H1 2010. IPOPEMA Securities commenced its activities on the Hungarian market in March 2010, winning an average monthly market share of 6.60% in the period March–June 2010, and has been steadily improving its position since, to reach an average monthly market share of 7.63% in H1 2011.

The above factors drove up the Company's revenue from trading in securities by 15.8%, to PLN 29,803 thousand (compared with PLN 25,730 thousand in H1 2010).

#### Investment banking services

In the area of investment banking (IPOPEMA Securities), H1 2011 saw results slightly lower year on year: revenue from investment banking services stood at PLN 7,049 thousand, having gone down by 28.2% year on year, due mainly to a lower value of transactions completed in H1 2011.

#### Acquisition of Credit Suisse Asset Management (Polska) S.A.

On March 15th 2011, IPOPEMA Securities S.A. entered into a share purchase agreement whereby it acquired all shares in Credit Suisse Asset Management (Polska) S.A. The completion of the transaction is subject to obtaining the required authorisations from regulatory bodies (the Polish Financial Supervision Authority and the Polish Office of Competition and Consumer Protection). In Q2 2011, the Company obtained the approval of the Polish Office of Competition and Consumer Protection (see Current Report No. 13/2011 released on May 30th 2011), but until the date of these financial statements the proceedings before the Polish Financial Supervision Authority had not been concluded.

Disclosure of information required under IFRS 3 is not practicable, therefore the Group has not presented this information in the consolidated financial statements.

## Note 19

### Events subsequent to the balance-sheet date

All events relating to the reporting period were disclosed in the accounting books and financial statements for the period January 1st–June 30th 2011. No significant events occurred after the balance-sheet date which should have been but were not disclosed in the accounting books for the reporting period.

### Execution of annexes to credit facility agreements with Alior Bank

**Interim condensed financial statements of IPOPEMA Securities S.A. for H1 2011**

After the balance-sheet date, the Company signed annexes to the credit facility agreements with Alior Bank, under which the term of the agreements was extended until July 19th 2012. For more details, see Note 3 to these condensed financial statements.

Warsaw, August 24th 2011

---

Jacek Lewandowski  
President of the  
Management Board

---

---

Mariusz Piskorski  
Vice-President of the  
Management Board

---

---

Stanisław Waczkowski  
Vice-President of the  
Management Board

---

---

Mirosław Borys  
Vice-President of the  
Management Board

---

---

Danuta Ciosek  
Chief Accountant

---