

IPOPEMA Securities S.A.

Interim Condensed Financial Statements

**For Q1 2010
ended March 31st 2010**

Warsaw, May 7th 2010

Financial Highlights

Financial Highlights	PLN '000		EUR '000	
	Q1 2010	Q1 2009	Q1 2010	Q1 2009
Revenue from core activities	14,910	8,382	3,759	1,822
Costs of core activities	10,103	7,491	2,547	1,629
Profit on core activities	4,807	891	1,212	194
Operating profit	4,680	133	1,180	29
Pre-tax profit	3,679	429	927	93
Net profit	2,917	159	735	35
Net earnings from continuing operations per ordinary share (weighted average) - PLN/ EUR	0.10	0.01	0.03	0.00
Net cash flows from operating activities	72,456	-10,865	18,265	-2,362
Total cash flows	61,842	-349	15,590	-76

Financial highlights	PLN '000		EUR '000	
	Mar 31 2010	Dec 31 2009	Mar 31 2010	Dec 31 2009
Total assets	516,728	383,288	133,791	93,298
Current liabilities	462,522	328,207	119,756	79,891
Equity	51,322	48,405	13,288	11,783
Number of shares	28,928,553	28,928,553	28,928,553	28,928,553
Book value per share (PLN/EUR)	1.77	1.67	0.46	0.41

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 on the last day of each month in a given period	Q1 2010	Q1 2009
EUR	3.9669	4.5994

- Items of the balance sheet:

Exchange rate as at:	Mar 31 2010	Dec 31 2009
EUR	3.8622	4.1082

Introduction to the Financial Statements

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, for at least 12 months from the balance-sheet date, that is March 31st 2010.

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.

Basis for Preparation of the Financial Statements

These financial statements cover the period January 1st – March 31st 2010 and contain comparative data for January 1st – March 31st 2009 (for the income statement) and additionally comparative data as at December 31st 2009 (for the balance sheet).

IPOPEMA Securities S.A. is the parent undertaking of three companies: IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A. of Warsaw, Poland, ("IPOPEMA TFI"), IPOPEMA Business Consulting Sp. z o.o. of Warsaw, Poland, ("IBC"), and IPOPEMA Business Services Kft. of Budapest, Hungary. The parent undertaking and its subsidiary undertakings make up the IPOPEMA Securities Group ("the Group", "the IPOPEMA Securities Group").

These interim condensed financial statements for the three months ended March 31st 2010 were approved for publication by the Management Board on May 7th 2010.

Identification of Financial Statements

All financial data contained in these financial statements is 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.

These financial statements were prepared in compliance with the Polish Accounting Principles ("PAP").

Translation of Foreign-Currency Items

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 (“NBP”) on the date preceding the transaction date – in the case of payment of receivables or liabilities, if the application of the exchange rate specified in item 1) is not justified, and in the case of other transactions.

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

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

Currency	Mar 31 2010	Dec 31 2009
USD	2.8720	2.8503
EUR	3.8622	4.1082
HUF 100	1.4497	1.5168
GBP	4.3491	4.5986
UAH	0.3630	0.3558
CZK	0.1517	0.1554
CHF	2.7000	2.7661

Source: NBP.

Changes in Estimates

No changes in estimates occurred in the period covered by these financial statements.

Changes in Accounting Policies

No changes were made to the applied accounting policies during the period covered by these financial statements. Accounting policies applied in the period under review are discussed in detail in the financial statements for 2009, published on March 19th 2010.

Seasonality

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

Interim Condensed Financial Statements of IPOPEMA Securities S.A. for Q1 2010

ASSETS (PLN '000)		Note	Mar 31 2010	Dec 31 2009	Mar 31 2009
I.	Cash and cash equivalents	1	106,466	44,624	34,892
II.	Current receivables	2	394,289	323,430	321,347
III.	Financial instruments held for trading		2,075	4,345	828
IV.	Current prepayments and accrued income		462	333	430
V.	Financial instruments held to maturity		-	-	-
VI.	Financial instruments available for sale		6,402	6,388	6,354
VII.	Non-current receivables		100	100	100
VIII.	Non-current loans advanced		3,319	11	-
IX.	Intangible assets		1,510	1,480	1,307
X.	Property, plant and equipment		1,549	1,319	1,276
1.	Tangible assets		976	1,071	1,276
2.	Tangible assets under construction		573	248	-
XI.	Non-current prepayments and accrued income	9	556	1,258	313
Total assets			516,728	383,288	366,847

Warsaw, May 7th 2010

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Danuta Ciosek
Chief Accountant

Interim Condensed Financial Statements of IPOPEMA Securities S.A. for Q1 2010

EQUITY AND LIABILITIES (PLN '000)	Note	Mar 31 2010	Dec 31 2009	Mar 31 2009
I. Current liabilities	3	462,522	328,207	320,282
II. Non-current liabilities		-	-	-
III. Accruals and deferred income		-	-	-
IV. Provisions for liabilities		2,884	6,676	1,023
1. Deferred tax liability	9	179	211	-
2. Other	4	2,705	6,465	1,023
V. Subordinated liabilities		-	-	-
VI. Equity		51,322	48,405	45,542
1. Share capital		2,893	2,893	2,857
2. Statutory reserve funds		32,822	32,822	30,027
a) share premium account		7,280	7,280	7,148
b) created pursuant to statutory provisions		964	964	952
c) created pursuant to the articles of association		24,578	24,578	21,927
3. Retained earnings		12,690	-	12,499
4. Net profit (loss)		2,917	12,690	159
Total equity and liabilities		516,728	383,288	366,847
Book value (PLN thousand)		51,322	48,405	45,542
Number of shares at end of period		28,928,553	28,928,553	28,571,410
Book value per share (PLN)		1.77	1.67	1.59
Diluted number of shares		29,182,958	28,999,944	28,571,410
Diluted book value per share (PLN)		1.76	1.67	1.59

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Interim Condensed Financial Statements of IPOPEMA Securities S.A. for Q1 2010

OFF-BALANCE-SHEET ITEMS (PLN'000)		Note	Mar 31 2010	Dec 31 2009
I.	Contingent liabilities	5	-	-
II.	Third-party assets used		-	-
III.	Forwards bought or written in the name and for the account of brokerage house		1,064*	4,945*

* Nominal value of futures contracts purchased in connection with the Company's acting as a futures market maker; open positions on equity-based futures are usually hedged with an offsetting position in equities (arbitrage transactions).

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Interim Condensed Financial Statements of IPOPEMA Securities S.A. for Q1 2010

INCOME STATEMENT (PLN '000)	Note	Q1 2010	Q1 2009
I. Revenue from brokerage activities, including:		14,910	8,382
1. Commissions	6	12,801	7,106
2. Other revenue	7	2,109	1,276
II. Costs of brokerage activity	8	10,103	7,491
III. Profit (loss) on brokerage activity		4,807	891
IV. Income from financial instruments held for trading		345	207
1. Dividends and other distributions from profit		-	-
2. Valuation adjustments		100	88
3. Gain on sale/redemption		245	119
4. Other		-	-
V. Costs related to financial instruments held for trading		488	670
1. Valuation adjustments		248	-
2. Loss on sale/redemption		240	670
VI. Profit (loss) on transactions in financial instruments held for trading		-143	-463
VII. Income from financial instruments available for sale		20	-
VIII. Costs related to financial instruments available for sale		6	2
IX. Gain (loss) on transactions in financial instruments available for sale		14	-2
X. Other operating income		14	18
XI. Other operating expenses		-	77
XII. Difference between provisions and impairment losses on receivables		12	234
1. Decrease in impairment losses on receivables		30	-
2. Creation of impairment losses on receivables		42	234
XIII. Operating profit (loss)		4,680	133
XIV. Finance income		391	535
XV. Finance expenses		1,392	239
XVI. Profit (loss) before extraordinary items		3,679	429
XVII. Pre-tax profit (loss)		3,679	429
XVIII. Corporate income tax		762	270
XIX. Net profit		2,917	159
Weighted average number of ordinary shares		28,928,553	28,571,410
Earnings (loss) per ordinary share (PLN)		0.10	0.01
Diluted weighted average number of ordinary shares		29,182,958	28,571,140
Diluted earnings (loss) per ordinary share (PLN)		0.10	0.01

Warsaw, May 7th 2010

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Interim Condensed Financial Statements of IPOPEMA Securities S.A. for Q1 2010

STATEMENT OF CASH FLOWS (PLN '000)	Q1 2010	Q1 2009
A. CASH FLOWS FROM OPERATING ACTIVITIES		
I. Net profit (loss)	2,917	159
II. Total adjustments	68,848	-11,024
1. Amortisation/depreciation:	200	228
2. Foreign-exchange gains (losses)	-	-
3. Interest and profit distributions (dividends)	234	159
4. Profit (loss) on investment activities	-14	2
5. Change in provisions and in impairment losses on receivables	-3,781	-1,595
6. Change in financial instruments held for trading	2,270	975
7. Change in receivables	-70,870	-229,096
8. Change in current liabilities (net of loans and borrowings), including special accounts	140,928	218,107
9. Change in accruals and deferrals	572	196
10. Other adjustments	-	-
III. Net cash provided by (used in) operating activities (I + II)	72,456	-10,865
B. CASH FLOWS FROM INVESTING ACTIVITIES		
I. Cash provided by investing activities	3	-
1. Repayment of non-current loans advanced	3	-
II. Cash used in investing activities	3,079	127
1. Acquisition of intangible assets	133	90
2. Acquisition of property, plant and equipment	326	37
3. Acquisition of financial instruments available for sale and financial instruments held to maturity	-	-
4. Non-current loans advanced	3,311	-
III. Net cash provided by (used in) investing activities (I - II)	-3,767	-127
C. CASH FLOWS FROM FINANCING ACTIVITIES		
I. Cash provided by financing activities	-	10,802
1. Increase in current loans and borrowings	-	10,802
II. Cash used in financing activities	6,847	159
1. Repayment of current loans and borrowings	6,613	-
2. Dividends and other distributions to owners	-	-
3. Interest paid	234	159
III. Net cash provided by (used in) financing activities (I - II)	-6,847	10,643
TOTAL NET CASH FLOWS (A.III +/- B.III +/- C.III)	61,842	-349
BALANCE-SHEET CHANGE IN CASH, including:	61,842	-349
CASH AT BEGINNING OF PERIOD	39,576	35,241
CASH AT END OF PERIOD (F +/- D), including:	101,418	34,892
- restricted cash	-	-

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Interim Condensed Financial Statements of IPOPEMA Securities S.A. for Q1 2010

STATEMENT OF CHANGES IN EQUITY (PLN '000)	Q1 2010	2009	Q1 2009
I. BALANCE OF EQUITY AT BEGINNING OF PERIOD	48,405	45,383	45,383
- changes in accounting policies	-	-	-
- correction of errors	-	-	-
I.a. EQUITY AT BEGINNING OF PERIOD, AFTER ADJUSTMENTS	48,405	45,383	45,383
1. Share capital at beginning of period	2,893	2,857	2,857
1.1. Changes in share capital	-	36	-
1.2. Share capital at end of period	2,893	2,893	2,857
2. Statutory reserve funds at beginning of period	32,822	30,027	30,027
2.1. Changes in statutory reserve funds	-	2,795	-
a) Increase	-	2,795	-
- distribution of profit (statutory)	-	12	-
- distribution of profit (above statutory minimum)	-	1,651	-
- share premium	-	132	-
2.2. Statutory reserve funds at end of period	32,822	32,822	30,027
3. Retained earnings at beginning of period	12,690	12,499	12,499
3.1. Retained earnings at beginning of period	12,690	12,499	12,499
3.2. Retained earnings at beginning of period after adjustments	12,690	12,499	12,499
a) increase	-	-	-
b) decrease	-	12,499	-
- distribution of retained earnings (dividends)	-	9,836	-
- distribution of retained earnings (contribution to statutory reserve funds)	-	2,663	-
3.3. Retained earnings at end of period	12,690	-	12,499
4. Net profit (loss)	2,917	12,690	159
a) net profit	2,917	12,690	159
b) net loss	-	-	-
II. BALANCE OF EQUITY AT END OF PERIOD	51,322	48,405	45,542
III. EQUITY AFTER PROPOSED DISTRIBUTION OF PROFIT	-	-	-

Warsaw, May 7th 2010

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Supplementary Notes to the Interim Financial Statements

Note 1

Cash and cash equivalents	Mar 31 2010	Dec 31 2009	Mar 31 2009
Cash and cash equivalents of clients			
a) at banks and in hand	74,008	11,431	-
b) other	-	-	-
Total cash and cash equivalents of clients	74,008	11,431	-
Cash and cash equivalents:			
a) cash and cash equivalents of the brokerage house	32,458	33,193	34,892
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	74,008	11,431	-
c) cash and cash equivalents transferred from the settlement guarantee fund	-	-	-
Total cash and cash equivalents	106,466	44,624	34,892

Note 2

Current receivables (PLN '000)	Mar 31 2010	Dec 31 2009	Mar 31 2009
Current receivables			
a) from clients, including:	193,212	152,314	161,434
- under executed transactions	188,328	147,447	159,896
- other	4,884	4,867	1,538
b) from related undertakings, including:	-	-	-
- from subsidiaries	-	-	-
c) from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses	173,062	137,752	141,349
- under executed transactions	173,062	137,752	141,349
d) from entities operating regulated markets and commodity exchanges	23	16	-
e) from the National Depository for Securities and exchange clearing houses	26,988	32,669	17,758
- from the settlement guarantee fund	9,353	32,669	17,758
f) from investment and pension fund companies and from investment and pension funds	-	-	-
g) from issuers of securities or selling shareholders	-	-	378
h) from commercial chamber	-	-	-
i) taxes, subsidies and social security receivable	491	370	231
j) receivables under court proceedings for which no impairment losses were recognised	-	-	-
k) other	513	309	197
Net current receivables	394,289	323,430	321,347
l) impairment losses on current receivables (positive amount)	2,155	2,143	1,664
Gross current receivables	396,444	325,573	323,011

The value of current receivables from clients' banks under executed transactions and from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses is the value of executed and unsettled securities sale and purchase transactions.

Note 3

Current liabilities (PLN '000)	Mar 31 2010	Dec 31 2009	Mar 31 2009
3.1. Current liabilities			
1. To clients	194,011	142,003	125,677
2. To related undertakings	-	9	-
3. To banks conducting brokerage activities, other brokerage houses and commodity brokerage houses	256,222	169,404	175,715
a) under transactions executed on WSE	157,223	169,404	175,715
b) under transactions executed on BSE	98,999	-	-
4. To entities operating regulated markets and commodity exchanges	838	698	563
5. To the National Depository for Securities and exchange clearing houses	2,639	1,570	226
a) under contributions to the settlement guarantee fund	2,403	1,421	-
b) other	236	149	226
6. Loans and borrowings	6,930	13,543	17,437
a) from related undertakings	-	-	-
b) other	6,930	13,543	17,437
7. Taxes, customs duties and social security payable	904	385	386
8. Other	978	595	278
a) dividends payable	-	-	-
b) other	978	595	278
Total current liabilities	462,522	328,207	320,282

As at March 31st 2010, the Company's liabilities under loans amounted to PLN 6,930 thousand (PLN 13,543 thousand in the comparative period, i.e. as at December 31st 2009). The liabilities were incurred in relation to the brokerage business, for the purpose of which the Company entered into two working-capital overdraft facility agreements (credit lines) to finance the payment of liabilities to the Polish NDS:

1. Agreement providing for a revolving credit facility (credit line) of up to PLN 10m, available until July 21st 2010. The purpose of the facility is to finance the 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 along with a promissory note declaration and power of attorney to the bank accounts held with the Bank.
2. Agreement providing for a revolving credit facility (credit line) of up to PLN 30m, available until July 21st 2010. The purpose of the facility is to finance the 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 along with a promissory note declaration, power of attorney to the bank accounts held with the Bank, and a block on a term deposit of PLN 5m placed with the Bank.

Note 4

Changes in Provisions and Impairment Losses on Receivables

In Q1 2010, provisions for liabilities decreased by PLN 3,760 thousand. In the comparative period of Q1 2009, the provisions decreased by 1,776 thousand.

In Q1 2010, impairment losses on receivables increased by PLN 12 thousand relative to December 31st 2009. In the comparative period of Q1 2009, impairment losses on receivables increased by PLN 234 thousand.

Note 5

Contingent Liabilities and Contingent Assets

As at March 31st 2010 and December 31st 2009, the Company did not carry any contingent liabilities and contingent assets.

Note 6

Commissions – brokerage activities (PLN '000)	Q1 2010	Q1 2009
a) on transactions in financial instruments executed in own name but for the account of clients	11,702	6,872
b) other	1,099	234
Total commissions – brokerage activities	12,801	7,106

Note 7

Other income (PLN '000)	Q1 2010	Q1 2009
a) from keeping of clients' securities accounts and cash accounts	-	-
b) from offering of financial instruments	261	60
c) other	1,848	1,216
Total other income from brokerage activities	2,109	1,276

Note 8

Costs of Core Activities (PLN '000)	Q1 2010	Q1 2009
Affiliation	-	-
Fees payable to regulated markets, commodity exchanges, the National Depository for Securities and exchange clearing houses	2,824	1,987
Fees payable to commercial chamber	-	18
Salaries and wages	4,432	3,769
Social security and other benefits	435	293
Employee benefits	33	33
Materials and energy used	84	32
Costs of maintenance and lease of buildings	206	184
Other costs by type	-	-
Depreciation and amortisation	200	228
Taxes and other public charges	312	241
Other costs	1,577	706
Total costs of core activities	10,103	7,491

Note 9

Deferred Tax

In Q1 2010, deferred tax liability decreased by PLN 32 thousand. In Q1 2009, deferred tax liability decreased by PLN 52 thousand.

In Q1 2010, deferred tax asset decreased by PLN 676 thousand. In Q1 2009, deferred tax asset decreased by PLN 323 thousand.

Note 10

Events Subsequent to the Balance Sheet Date

All events relating to the reporting period were disclosed in the accounting books and the financial statements for the period January 1st – March 31st 2010. No events occurred after the balance-sheet date which should have been disclosed in the accounting books for the reporting period but were not.

Warsaw, May 7th 2010

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