

IPOPEMA Securities S.A.

Condensed Financial Statements

**for H1 2010
ended June 30th 2010**

Warsaw, August 24th 2010

COMPLIANCE STATEMENT

The Management Board of IPOPEMA Securities S.A. hereby represents that:

- to the best of our knowledge, the condensed semi-annual financial statements as at June 30th 2010 and the comparative information have been prepared in accordance with the applicable accounting policies, and give a true, clear and fair view of the assets, financial position and profit or loss of IPOPEMA Securities S.A.;
- BDO Sp. z o.o., with registered office at ul. Postępu 12, Warsaw, Poland, a qualified auditor of financial statements entered in the list of entities qualified to audit financial statements maintained by the National Chamber of Chartered Auditors under Reg. No. 3355, which reviewed the separate semi-annual financial statements, was appointed in compliance with applicable laws. Both BDO Sp. z o.o. and the qualified auditor who performed the review of the condensed semi-annual financial statements of IPOPEMA Securities S.A. as at June 30th 2010 met the conditions required to issue 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 2010 gives a true picture of the Company's development, achievements and standing; it also includes a description of risks and threats.

Warsaw, August 24th 2010

The 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

Miroslaw Borys
Vice-President of the
Management Board

Financial Highlights

Financial highlights	PLN '000		EUR '000	
	Jan 1 2010 – Jun 30 2010	Jan 1 2009 – Jun 30 2009	Jan 1 2010 – Jun 30 2010	Jan 1 2009 – Jun 30 2009
Revenue from core activities	35,930	21,270	8,973	4,707
Costs of core activities	22,189	15,668	5,541	3,468
Profit on core activities	13,741	5,602	3,432	1,240
Operating profit	12,625	5,044	3,153	1,116
Pre-tax profit	11,315	5,477	2,826	1,212
Net profit	9,093	4,333	2,271	959
Net earnings per ordinary share (weighted average) (PLN/EUR)	0.31	0.15	0.08	0.03
Net cash provided by operating activities	45,797	3,164	11,437	700
Total cash flows	42,621	3,747	10,644	829

Financial highlights	PLN '000			EUR '000		
	Jun 30 2010	Dec 31 2009	Jun 30 2009	Jun 30 2010	Dec 31 2009	Jun 30 2009
Total assets	741,550	383,288	209,214	178,868	93,298	46,808
Current liabilities	679,274	328,207	167,132	163,846	79,891	37,393
Equity	57,501	48,405	39,716	13,870	11,783	8,886
Number of shares	28,928,553	28,928,553	28,571,410	28,928,553	28,928,553	28,571,410
Book value per share (PLN/EUR)	1.99	1.67	1.39	0.48	0.41	0.31

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

- Items of the profit and loss account 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	H1 2010	H1 2009
EUR	4.0042	4.5184

- Items of the balance sheet:

Exchange rate as at:	Jun 30 2010	Dec 31 2009	Jun 30 2009
EUR	4.1458	4.1082	4.4696

Introduction to Financial Statements

Information on 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, which included also the Company's Articles of Association, prepared by Janusz Rudnicki, Notary Public of Warsaw, ul. Marszałkowska 55/73, suite 33, Warsaw, Poland. According to the aforementioned 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, XIX (currently 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, the Polish Securities and Exchange Commission (currently the Polish Financial Supervision Authority) 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 consulting services form the core business of the Company.

All the issued Company shares (28,928,553 shares) are admitted to trading on the regulated market operated 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 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 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,
Mirosław Borys – Vice-President of the Management Board,
Mariusz Piskorski – Vice-President of the Management Board,
Stanisław 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 Condensed Financial Statements

These condensed financial statements cover the period January 1st – June 30th 2010 and contain comparative data for January 1st – June 30th 2009 (in the case of the profit and loss account and statement of cash flows) and also as at December 31st 2009 (in the case of the balance sheet and statement of changes in equity).

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

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 condensed interim financial statements for the six-month period ended June 30th 2010 were approved for publication by the Management Board on August 24th 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.

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 receivable, 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 in 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 for 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 – impairment loss of 50% of the receivables amount is recognised,
- for receivables past due by more than 1 year - impairment loss of 100% of the receivables amount is recognised.

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

Impairment losses on receivables are recognised under other operating expenses and presented in the income statement under “impairment losses on receivables”. The cost connected with recognition of impairment losses at the time of confirming that particular receivables are uncollectible is a tax-deductible expense; in any other case, such cost is not a tax-deductible expense.

Under receivables, the Company also discloses as financial assets receivables under lease of property, plant and equipment and intangible assets to IPOPEMA Business Services. As at June 30th 2010, the value of leased out property, plant and equipment stood at PLN 594 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

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 National Depository for Securities (“Polish NDS”) due to the applicable transaction settlement procedure (T+3). In the case of purchase transactions on the Warsaw Stock Exchange (“WSE”) made 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 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 balance-sheet date.

Financial Instruments

Financial instruments are classified into the following categories:

1. Financial assets

- financial assets held for trading,
- loans advanced 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

Financial assets and liabilities 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. For the purpose of the measurement, the Company takes into account closing prices quoted by the Warsaw Stock Exchange on the last business day of the period for which the financial statements are prepared. 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 assets held for trading, the Company includes securities acquired as a result of erroneous transactions as well as financial instruments acquired as a result of proprietary trading; they include both shares in companies listed on the Warsaw Stock Exchange, and derivatives linked to equities and stock-exchange indices (options and futures). In the category of financial liabilities held for trading, the Company includes derivative financial instruments. The vast majority of the Company's financial assets and liabilities held for trading are listed on the Warsaw Stock Exchange, with the exception of a forward contract entered into by the Company.

Financial assets and financial liabilities acquired in transactions on the regulated market are recognised as at the transaction date. Financial assets are carried at acquisition 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 carried as at the contract date at the fair value of the amount received or the value of 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.

Loans Advanced and Receivables

Loans advanced and receivables are, irrespective of the maturity date, financial assets arising when the Company delivers cash directly to the counterparty. Loans advanced and receivables are measured at adjusted acquisition cost, using the effective interest rate method. Non-interest bearing current receivables are measured at amounts receivable, 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.

Financial Assets Held to Maturity

Financial assets held to maturity are investments with fixed or determinable payments and fixed maturities, which the Company has the positive intent and ability to hold to maturity. Financial assets held to maturity are measured at amortised cost with the effective interest rate.

Financial assets held to maturity are assets whose terms to maturity are longer than 12 months from the balance-sheet date. The Company had no financial assets held to maturity in this or previous year.

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. Financial assets available for sale include investment certificates and – in accordance with the Regulation on special accounting rules for brokerage houses – shares in subordinated undertakings; such shares are measured at acquisition cost.

Shares in subordinated undertakings are measured at acquisition cost less impairment losses. Investment certificates are carried at fair value based on the net value per certificate as published by the investment fund. Valuation results increase or decrease (as the case may be) revaluation capital reserve.

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

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 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.

Impairment of Financial Instruments

As at each balance-sheet date the Company evaluates whether there are objective indications 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 end of 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 above in the description of current receivables.

Non-Current Liabilities

Non-current liabilities are those whose payment date falls more than 12 months from the balance-sheet date.

The following are disclosed under non-current liabilities:

- bank loans,
- loans other than bank loans,
- debt securities,
- liabilities under other financial instruments,
- finance lease liabilities.

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 (the “NBP”) on the day 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	Jun 30 2010	Dec 31 2009	Jun 30 2009
USD	3.3946	2.8503	3.1733
EURO	4.1458	4.1082	4.4696
HUF 100	1.4473	1.5168	1.6410
GBP	5.0947	4.5986	5.2745
UAH	0.4293	0.3558	0.4144
CZK	0.1609	0.1554	0.1727
CHF	3.1345	2.7661	2.9314

Source: NBP.

Changes in Estimates

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

Changes in Applied Accounting Policies

Within the period covered by these financial statements, a change was introduced in the presentation of the results of measurement of financial instruments available for sale. In the past years, the results of measurement were carried in the income statement as income from or cost related to financial instruments available for sale, as appropriate. Since January 1st 2010, the results of measurement of financial instruments available for sale, as well as deferred income tax calculated in with the change in the value of financial instruments available for sale increase or decrease (as the case may be) the revaluation capital reserve. The change in the presentation had no material effect on the presented results; accordingly, the effect of the change on the financial statements is not presented.

Apart from the change described above, within the period covered by these financial statements, the Company applied accounting policies which were described in detail in the financial statements for 2009 published on March 19th 2010.

Comparability of the Reported Data

These financial statements are presented in a manner ensuring their comparability by applying uniform accounting policies in all the presented periods, consistent with the accounting policies applied by the Company.

Seasonality

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

Condensed Semi-Annual Financial Statements of IPOPEMA Securities S.A. for H1 2010

ASSETS (PLN '000)		Note	Jun 30 2010	Dec 31 2009	Jun 30 2009
I.	Cash and cash equivalents	1	82,579	44,624	38 988
1.	Cash in hand		3	4	5
2.	Cash at banks		10,349	2,022	12 540
3.	Other cash		72,227	37,550	26 443
4.	Cash equivalents		-	5,048	-
II.	Current receivables	2, 4	641,094	323,430,,	158 884
1.	From clients		277,121	152,314	80 569
2.	From related undertakings	12	1,052	-	19
3.	from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses		331,806	137,752	69 798
a)	under executed transactions		331,806	137,752	69 798
4.	From entities operating regulated markets and commodity exchanges		28	16	12
5.	From the National Depository for Securities and exchange clearing houses		24,681	32,669	7 451
6.	From issuers of securities or selling shareholders		-	-	191
7.	Taxes, subsidies and social security receivable		-	370	-
8.	Other		6,406	309	844
III.	Financial instruments held for trading		3,956	4,345	1 459
1.	Shares		3,877	4,293	1 459
2.	Derivative instruments		79	52	-
IV.	Current prepayments and accrued income		302	333	357
V.	Financial instruments held to maturity		-	-	-
VI.	Financial instruments available for sale		6,391	6,388	6 368
1.	Shares and other equity interests		6,007	6,008	6 000
	- in subordinated undertakings		6,007	6,008	6 000
2.	Investment certificates		384	380	368
VII.	Non-current receivables		100	100	100
VIII	Non-current loans advanced		3,484	11	-
1.	Other		3,484	11	-
IX.	Intangible assets		1,573	1,480	1 330
1.	Acquired permits, patents, licenses and similar assets, including:		1,573	1,480	1 330
	- computer software		1,573	1,480	1 330
X.	Property, plant and equipment		1,143	1,319	1 223
1.	Tangible assets, including:		1,117	1,071	1 223
a)	computer assemblies		597	516	654
b)	other tangible assets		520	555	569
2.	Tangible assets under construction		26	248	-
XI.	Non-current prepayments and accrued income		928	1,258	505
1.	Deferred tax asset		928	1,232	428
2.	Other prepayments and accrued income		-	26	77
Total assets			741,550	383,288	209,214

Warsaw, August 24th 2010

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Condensed Semi-Annual Financial Statements of IPOPEMA Securities S.A. for H1 2010

EQUITY AND LIABILITIES (PLN '000)		Note	Jun 30 2010	Dec 31 2009	Jun 30 2009
I.	Current liabilities	3	679,274	328,207	167,132
1.	To clients		334,919	142,003	57,543
2.	To related undertakings	12	18	9	-
3.	To banks conducting brokerage activities, other brokerage houses and commodity brokerage houses		324,569	169,404	90,351
a)	under executed transactions		324,569	169,404	90,351
4.	To entities operating regulated markets and commodity exchanges		800	698	614
5.	To the National Depository for Securities and exchange clearing houses		887	1,570	227
6.	Loans and borrowings		9,998	13,543	7,472
a)	from related undertakings		-	-	-
b)	other		9,998	13,543	7,472
7.	Taxes, subsidies and social security payable		1,121	385	775
8.	Other		6,962	595	10,150
II.	Non-current liabilities		-	-	-
III.	Accruals and deferred income		-	-	19
IV.	Provisions for liabilities	4	4,775	6,676	2,347
1.	Deferred tax liabilities		301	211	126
2.	Other		4,474	6,465	2,221
a)	non-current		-	-	-
b)	current		4,474	6,465	2,221
V.	Subordinated liabilities		-	-	-
VI.	Equity	5	57,501	48,405	39,716
1.	Share capital		2,893	2,893	2,857
2.	Reserve funds		45,512	32,822	32,526
a)	share premium account		7,280	7,280	7,148
b)	statutory reserve funds		964	964	952
c)	reserve funds created pursuant to the Articles of Association		37,268	24,578	24,426
3.	Revaluation capital reserve		3	-	-
4.	Retained earnings		-	-	-
5.	Net profit		9,093	12,690	4,333
Total equity and liabilities			741,550	383,288	209,214
Book value (PLN '000)			57,501	48,405	39,716
Number of shares as at end of period			28,928,553	28,928,553	28,571,410
Book value per share (PLN)			1.99	1.67	1.39
Diluted number of shares			29,498,513	28,999,944	28,571,410
Diluted book value per share (PLN)			1.95	1.67	1.39

Warsaw, August 24th 2010

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OFF-BALANCE-SHEET ITEMS (PLN '000)	Note	Jun 30 2010	Dec 31 2009	Jun 30 2009
I. Contingent liabilities	6		-	-
II. Third-party assets used			-	-
III. Futures acquired or issued in the name and for the account of the brokerage house		13,079**	4,945*	1,432*

* Nominal 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);

** Value of futures, as described above, plus the forward contract.

Warsaw, August 24th 2010

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Condensed Semi-Annual Financial Statements of IPOPEMA Securities S.A. for H1 2010

INCOME STATEMENT (PLN '000)	Note	Jan 1 2010 – Jun 30 2010	Jan 1 2009 – Jun 30 2009
I. Revenue from brokerage activities, including:		35,930	21,270
- from related undertakings	12	-	850
1. Fee and commission income		32,536	18,272
a) from transactions in financial instruments made in the name of the Company but for the account of the party placing an order		25,408	16,274
b) from offering financial instruments		1,212	-
c) other		5,916	1,998
2. Other income		3,394	2,998
a) from offering financial instruments		616	60
b) from discretionary management of third-party securities portfolios		73	-
c) other		2,705	2,938
II. Cost of brokerage activities		22,189	15,668
- to related undertakings		725	23
1. Fees payable to regulated markets, commodity exchanges, the National Depository for Securities and exchange clearing houses		6,110	4,403
2. Fees payable to commercial chamber		-	17
3. Salaries and wages		10,052	7,289
4. Social security and other benefits		696	448
5. Employee benefits		60	87
6. Materials and energy used		199	75
7. Costs of maintenance and lease of buildings		427	364
8. Depreciation and amortisation		395	385
9. Taxes and other public charges		606	444
10. Other		3,644	2,156
III. Profit (loss) on brokerage activities		13,741	5,602
IV. Income from financial instruments held for trading		900	556
1. Dividends and other profit distributions		71	29
2. Revaluation adjustments		170	90
3. Gain on sale/redemption		659	437
4. Other		-	-
V. Cost related to financial instruments held for trading		2,055	775
1. Revaluation adjustments		630	-
2. Loss on sale/redemption		1,425	775
VI. Profit (loss) on transactions in financial instruments held for trading		-1,155	-219
VII. Income from financial instruments available for sale		-	11
1. Revaluation adjustments		-	11
VIII. Cost related to financial instruments available for sale		-	-
IX. Profit (loss) on transactions in financial instruments available for sale		-	11
X. Other operating income		108	50
1. Other		108	50
XI. Other operating expenses		10	95
1. Other		10	95
XII. Difference between provisions for and impairment losses on receivables		-59	-305
1. Decrease in revaluation losses on receivables		90	-
2. Increase in revaluation losses on receivables		149	305
XIII. Operating profit		12,625	5,044

Condensed Semi-Annual Financial Statements of IPOPEMA Securities S.A. for H1 2010

XIV. Finance income	1,575	967
1. Interest on loans advanced, including:	24	-
- from related undertakings	24	-
2. Interest on deposits	360	730
- from related undertakings	-	-
3. Other interest	38	-
4. Foreign exchange gains	650	26
a) realised	-	26
b) unrealised	650	-
5. Other	503	211
XV. Finance expenses	2,885	534
1. Interest on loans, including:	470	326
- to related undertakings	-	-
2. Foreign exchange losses	175	5
a) realised	175	-
b) unrealised	-	5
3. Other	2,240	203
XVI. Profit before extraordinary items	11,315	5,477
XVII. Pre-tax profit	11,315	5,477
XVIII. Corporate income tax	2,222	1,144
XIX. Net profit	9,093	4,333
Weighted average number of ordinary shares	28,928,553	28,571,410
Earnings per ordinary share (PLN)	0.31	0.15
Weighted average diluted number of ordinary shares	29,498,513	28,571,410
Diluted earnings per ordinary share (PLN)	0.31	0.15

Warsaw, August 24th 2010

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Danuta Ciosek
Chief Accountant

Condensed Semi-Annual Financial Statements of IPOPEMA Securities S.A. for H1 2010

STATEMENT OF CASH FLOWS (PLN' 000)	Note	Jan 1 2010 – Jun 30 2010	Jan 1 2009 – Jun 30 2009
A. NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES			
I. Net profit		9,093	4,333
II. Total adjustments		36,704	-1,169
1. Amortisation/depreciation		395	384
2. Foreign exchange gains/(losses)		-666	-
3. Interest and profit distributions (dividends)		289	-10,029
4. Profit (loss) on investment activities		260,	-11
5. Change in provisions and impairment losses on receivables		-1,843	-200
6. Change in financial instruments held for trading		389	344
7. Change in receivables		-317,093	-66,705
8. Change in current liabilities (net of loans and borrowings), including special accounts		354,614	74,923
9. Change in accruals and deferrals		359	125
III. Net cash provided by (used in) operating activities (I + II)		45,797	3,164
B. NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES			
I. Cash provided by investing activities		5,158	-
1. Disposal of financial instruments available for sale and held to maturity		5,000	-
2. Profit distributions (dividends) received		18	-
3. Interest received		134	-
4. Decrease in non-current loans advanced		6	-
II. Cash used in investing activities		4,324	254
1. Acquisition of intangible assets		300	202
2. Acquisition of property, plant and equipment		11	52
3. Increase in non-current loans advanced		3,445	-
4. Other cash used in investing activities		568	-
III. Net cash provided by (used in) investing activities (I - II)		834	-254
C. NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES			
I. Cash provided by financing activities		1,294	837
1. Increase in current loans and borrowings		1,294	837
II. Cash used in financing activities		5,304	-
1. Repayment of current loans and borrowings		4,899	-
2. Dividends and other payments to owners		-	-
3. Interest paid		405	-
III. Net cash provided by (used in) financing activities (I - II)		-4,010	837
TOTAL NET CASH FLOWS (A.III +/- B.III +/- C.III)		42,621	3,747
BALANCE-SHEET CHANGE IN CASH, including:		43,003	3,747
- change in cash resulting from foreign exchange differences		382	-
CASH AT BEGINNING OF PERIOD	13	39,576	35,241
CASH AT END OF PERIOD (F +/- D), including:	13	82,197	38,988
-restricted cash		9,535	10,000

Warsaw, August 24th 2010

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
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Condensed Semi-Annual Financial Statements of IPOPEMA Securities S.A. for H1 2010

STATEMENT OF CHANGES IN EQUITY (PLN' 000)	Jan 1 2010 – Jun 30 2010	Jan 1 2009 – Dec 31 2009	Jan 1 2009 – Jun 30 2009
I. EQUITY AT BEGINNING OF PERIOD (OPENING BALANCE)	48,405	45,383	45,383
- changes in adopted 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	-
a) increase			
- issue of shares	-	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	12,690	2,795	2,499
a) increase	12,690	2,795	2,499
- distribution of profit (statutory)	-	12	-
- distribution of profit (above statutory minimum)	12,690	2,651	2,499
- share premium account	-	132	-
2.2. Statutory reserve funds at end of period	45,512	32,822	32,526
3. Revaluation capital reserve at beginning of period	-	-	-
3.1. Changes in revaluation capital reserve	3	-	-
a) increase	3	-	-
- revaluation of financial instruments	3	-	-
3.2. Revaluation capital reserve at end of period	3	-	-
4. Retained earnings/(deficit) at beginning of period	12,690	12,499	12,499
4.1. Retained earnings at beginning of period	12,690	12,499	12,499
a) increase	-	-	-
b) decrease	12,690	12,499	12,499
- distribution of retained earnings (dividend)	-	9,836	10,000
- distribution of retained earnings (increase in statutory reserve funds)	12,690	2,663	2,499
4.2. Retained earnings at end of period	-	-	-
4.3. Retained earnings /(deficit) at end of period	-	-	-
5. Net profit (loss)	9,093	12,690	4,333
a) net profit	9,093	12,690	4,333
b) net loss	-	-	-
II. EQUITY AT END OF PERIOD (CLOSING BALANCE)	57,501	48,405	39,716
III. EQUITY AFTER PROPOSED DISTRIBUTION OF PROFIT	57,501	48,405	39,716

Warsaw, August 24th 2010

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Notes to Interim Financial Statements

Note 1

Cash and other assets	Jun 30 2010	Dec 31 2009	Jun 30 2009
Cash and other assets of clients			
a) at banks and in hand	44,232	11,431	-
b) other *	-	-	-
Total cash and other assets of clients	44,232	11,431	-
Cash and other assets:			
a) cash and other assets of the brokerage house, including:	38,347	33,193	38,988
- cash in hand	3	4	5
- cash at banks	10,349	2,022	12,540
- other cash *	27,995	31,167	26,443
b) Cash and other assets of clients deposited in cash accounts at the brokerage house and paid towards acquisition of securities in an IPO or on the primary market	44,232	11,431	-
c) cash and other assets transferred from the settlement guarantee fund	-	-	-
Total cash and other assets	82,579	44,624	38,988

* "other" and "other cash" items include cash in bank deposits and interest accrued thereon.

Note 2

Selected current receivables (PLN '000)	Jun 30 2010	Dec 31 2009	Jun 30 2009
1. Selected current receivables			
a) from clients, including:	277,121	152,314	80,569
- under transactions executed on the Warsaw Stock Exchange	257,322	147,447	79,159
- under transactions executed on the Budapest Stock Exchange	18,413	-	-
- other	1,386	4,867	1,410
b) from related undertakings, including:	1,052	-	19
- from subsidiary undertakings	1,052	-	19
c) from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses	331,806	137,752	69,798
- under transactions executed on the Warsaw Stock Exchange	275,986	137,752	69,798
- under transactions executed on the Budapest Stock Exchange	55,820	-	-
d) from the National Depository for Securities and exchange clearing houses	24,681	32,669	7,451
- from the settlement guarantee fund	24,681	32,669	7,451
e) under court proceedings, not covered by impairment losses on receivables	-	-	-
2. Net current receivables	641,094	323,430	158,884
- impairment losses on current receivables (positive value)	2,202	2,143	1,735
Gross current receivables	643,296	325,573	160,619

The value of current receivables from clients under executed transactions and current receivables from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses under executed transactions represents the value of concluded and not settled purchase and sale transactions in securities.

Note 3

Selected current liabilities (PLN '000)	Jun 30 2010	Dec 31 2009	Jun 30 2009
Selected current liabilities			
1. To clients	334,919	142,003	57,543
a) under transactions executed on the Warsaw Stock Exchange	262,952	116,395	57,539
b) under transactions executed on the Budapest Stock Exchange	17,140	-	-
c) other	54,827	25,608	4
2. To banks conducting brokerage activities, other brokerage houses and commodity brokerage houses	324,569	169,404	90,351
a) under transactions executed on the Warsaw Stock Exchange	271,860	169,404	90,351
b) under transactions executed on the Budapest Stock Exchange	52,709	-	-
3. To entities operating regulated markets and commodity exchanges	800	698	614
a) to the Warsaw Stock Exchange	590	698	614
b) to the Budapest Stock Exchange	210	-	-
4. To the National Depository for Securities and exchange clearing houses	887	1,570	227
a) under additional payments to the settlement guarantee fund	741	1,421	-
b) other	146	149	227
5. Loans and borrowings	9,998	13,543	7,472
a) from related undertakings	-	-	-
b) other	9,998	13,543	7,472
6. Other	6,962	595	10,150
a) under dividend	-	-	10,000
b) other liabilities, including:	6,962	595	150
- financial liabilities (valuation of derivatives)	138	75	-
- other liabilities	6,824	520	150

As at June 30 2010, the Company's liabilities under loans amounted to PLN 9,998 thousand, compared with PLN 13,543 thousand as at December 31st 2009 and PLN 7,472 thousand as at June 30th 2009.

On July 22nd 2009, the Company entered into two working-capital overdraft facility agreements to finance the payment of liabilities to the Polish National Depository for Securities. On July 21st 2010, the Company executed annexes to the agreements, under which the term of the agreements was extended by one year, i.e. until July 20th 2011.

1. Agreement providing for a revolving credit facility of up to PLN 10m. The purpose of the facility is to finance the payment of the Company's liabilities to the NDS 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 and a power of attorney to the bank accounts held with the Bank.
2. Agreement providing for a revolving credit facility of up to PLN 30m. 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 with a promissory note declaration, a 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 (PLN 10m from July 21st 2010 to July 20th 2011).

Furthermore, Deutsche Bank made available to the Company an overdraft facility in an HUF account up to the maximum amount of EUR 1,150 thousand. As at June 30th 2010, PLN 1.288 thousand was drawn under the facility.

Note 4

Changes in Provisions for Receivables and Impairment Losses On Receivables

In H1 2010, provisions for receivables decreased by PLN 1,901 thousand. In the comparative period, i.e. H1 2009, provisions for receivables declined by PLN 504 thousand, while in 2009 they increased by PLN 3,825 thousand.

In H1 2010, impairment losses on receivables grew by PLN 59 thousand relative to December 31st 2009. In the comparative period, i.e. H1 2009, impairment losses on receivables increased by PLN 305 thousand, while in 2009 they went up by PLN 713 thousand.

Note 5

Share capital	Jun 30 2010	Dec 31 2009	Jun 30 2009
a) par value per share (PLN)	0.10	0.10	0.10
b) series/issue	A, B, C	A, B, C	A, B
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	28,928,553	28,928,553	28,571,410
g) total par value of series/issue (PLN '000)	2,893	2,893	2,857
h) type of contribution	cash	cash	cash
i) dividend right (since)	shares carry the right to distribution of profit for 2010	shares carry the right to distribution of profit for 2009, and carried the right to distribution of profit for 2008	shares carry the right to distribution of profit for 2009, and carried the right to distribution of profit for 2008

The Company's Articles of Association provide for a share capital increase through the issue of new shares up to the amount of the authorised capital. Subject to the approval of the Supervisory Board, 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 shares. Moreover, the Company's Articles of Association also provide for a conditional share capital increase by up to PLN 485,714, to be effected through the issue of up to 4,857,140 shares, for the purpose of the implementation of the IPOPEMA Group's incentive scheme. 357,143 shares have already been issued under the scheme and acquired by three members of IPOPEMA TFI's Management Board. Those persons have been awarded the right to a pool totalling 1,166,667 shares. For further information, see Note 7.

As at June 30th 2010, the share capital remained unchanged relative to December 31st 2009. It amounted to 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 357,143 Series C ordinary bearer shares. The number has not changed by the date of these financial statements.

Changes in the shareholder structure after the end of the reporting period are presented in Note 18.

Note 6

Contingent Liabilities and Assets

As at June 30th 2010, December 31st 2009 and June 30th 2009, the Company did not carry any contingent liabilities or assets.

Note 7

Incentive Scheme

On March 23rd 2009, by virtue of a resolution, the Company's Management Board adopted the Rules of the Incentive Scheme (as amended), which were also subsequently approved by the Company's Supervisory Board. The Rules were adopted as a result of a resolution adopted by the Extraordinary General Shareholders Meeting on December 5th 2007 (and amended by a resolution of March 20th 2009) concerning 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 to the execution of the IPOPEMA Group's strategy. The scheme is based on Series C shares in the Company, which can be issued as part of the conditional share capital, in a maximum number of 4,857,140 shares, on or before November 30th 2017. The scheme is equity-settled.

To date, a number of persons from the IPOPEMA Securities Group were covered by the Incentive Scheme, including members of the Management Board of IPOPEMA TFI S.A., who were entitled (subject to fulfilment of certain criteria) to subscribe for the total of 1,166,667 Series C shares at the issue price equal to PLN 0.47 per share ("Share Option Plan I"). The final tranche within this pool is to be exercised by 2011. To date the persons acquired in total 357,143 shares. Since not all of the required criteria were met, the number of shares to be acquired fell by 324,347. Within this pool, based on IPOPEMA TFI's performance in 2009, the persons are entitled to subscribe for a total of 413,748 shares, while 71,429 shares will be settled based on the Company's performance in 2010. Taking into account the reduction of the pool, as at the date of these financial statements Share Option Plan I covers a total of 842,320 shares (including the shares subscribed for), instead of 1,166,667 shares as was originally assumed.

The other persons covered by the Incentive Scheme are entitled to subscribe for a total of 714,285 Series C shares, representing 2.50% of the share capital and conferring the right to the same percentage of the total vote. The issue price per share at which the shares are to be subscribed for will be equal to the issue price of the Company shares sold in the private placement preceding the listing of the Company shares on the Warsaw Stock Exchange, that is PLN 5 ("Share Option Plan II"). The final tranche within this pool is to be exercised by January 2014. Since not all of the required criteria were met, the number of shares to be subscribed for fell to 571,428 (no shares have been subscribed for yet under Share Option Plan II).

The list of persons eligible to subscribe for the remainder of the Series C shares, that is 2,976,188 shares ("Share Option Plan III") has not yet been determined, neither have any decisions been made as to whether such shares will be offered.

The cost of the share option plans is not recognised in the separate financial statements, as the Accountancy Act does not require such recognition. The cost is recognised in the consolidated financial statements of the IPOPEMA 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 Company in the consolidated financial statements of the Group. At the consolidated level, in H1 2010 the total costs related to those plans increased the cost of salaries and wages by PLN 558 thousand, of which PLN 302 thousand was allocated to IPOPEMA TFI S.A. The remainder (PLN 256 thousand) which includes also the valuation of options covered by the agreements executed in 2006 between the then sole shareholder of the Company and some of the Company's current employees and members of the Management and Supervisory Boards, was charged to IPOPEMA Securities S.A. In performance of the abovementioned agreements, the eligible persons acquired existing Company shares. Given that certain conditions which had to be fulfilled remained valid in the period covered by these financial statements, the cost resulting from the valuation of the above options was charged to the consolidated result of the Group also in H1 2010. Despite the fact that the Company was not a party to the acquisition transactions, and thus did not issue any new shares, pursuant to the adopted accounting standards the cost should be allocated to the issuer. In the comparative period, H1 2009, costs of incentive schemes amounted to PLN 1,662 thousand, with PLN 1,434 thousand of this amount charged to IPOPEMA TFI S.A. and the remainder (PLN 228 thousand) charged to IPOPEMA Securities S.A.

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

Information on Deferred Income Tax

In H1 2010, deferred tax liability increased by PLN 90 thousand. In H1 2009, deferred tax liability grew by PLN 74 thousand.

Deferred tax assets decreased by PLN 304 thousand in H1 2010 and by PLN 105 thousand in H1 2009.

Note 8

Distribution of 2009 Profit

On June 29th 2010, the General Shareholders Meeting resolved to contribute the entire 2009 profit of PLN 12,690 thousand to statutory reserve funds.

Note 9

Issue, Redemption and Repayment of Equity and Non-Equity Securities

The Company did not issue, redeem or repay equity or non-equity securities in H1 2010 or in H1 2009.

Note 10

Dividends Paid or Declared

In H1 2010, the Company did not pay or resolve to pay any dividend. In the comparative period, i.e. H1 2009, the General Shareholders Meeting of the Company resolved to pay dividend from the 2008 profit in the total amount of PLN 10m (PLN 0.35 per share). The dividend record date was set for September 15th 2009. However, as the number of shares carrying the right to dividend increased to 28,928,553 following the registration of 357,143 Series C shares with the National Depository for Securities on September 8th 2009, the following changes occurred:

- the dividend per share fell from PLN 0.35 to PLN 0.34; and
- the total amount of dividend fell from PLN 10m to PLN 9,836 thousand.

In accordance with Resolution No. 6 of the Company's Annual General Shareholders Meeting of June 30th 2009, the difference of PLN 164 thousand (and the balance of the 2008 profit, amounting to PLN 2,499 thousand) was allocated to the Company's statutory reserve funds.

Note 11

Material Related Party Transactions (Including Amounts) Other than Arm's Length Transactions

In the periods covered by these financial statements, the Company did not enter into any related party transactions which were not transactions at arm's length.

Note 12

Material Related Party Transactions – Income and Expenses (PLN '000)

Related party	Revenue from brokerage activities	Other operating income	Purchases – brokerage activities	Other purchases	Revenue from brokerage activities	Other operating income	Purchases – brokerage activities	Other purchases
	Jan 1 – Jun 30 2010				Jan 1 – Jun 30 2009			
IPOPEMA BC	-	-	-	-	-	5	-	-
IPOPEMA TFI	-	81	-	-	-	43	-	-
IPOPEMA Business Services Kft.	-	23	-	-	-	-	-	-
Members of the Management Board and supervisory bodies	-	-	708	-	-	-	20	-
Other related parties	-	-	17	4	850	-	3	3
Total	-	104	725	4	850	48	23	3

Material Related Party Transactions – Receivables and Liabilities

Related party	Receivables			Liabilities		
	Jun 30 2010	Dec 31 2009	Jun 30 2009	Jun 30 2010	Dec 31 2009	Jun 30 2009
IPOPEMA BC	-	-	-	-	-	-
IPOPEMA TFI	61	-	19	-	-	-
IPOPEMA Business Services Kft.	991	-	-	-	-	-
Members of the Management Board and supervisory bodies	-	-	-	18	-	-
Other related parties	-	-	-	-	9	-
Total	1,052	-	19	18	9	-

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

Note 13

Items of the Statement of Cash Flows

Operating activities – provision of brokerage and consulting 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 2010	Dec 31 2009	Jun 30 2010	Dec 31 2009
Cash and cash equivalents	82,579	44,624	82,197	39,576
1. Cash in hand	3	4	3	4
2. Cash at banks	10,349	2,022	10,349	2,022
3. Other cash	72,227	37,550	71,845	37,550
4. Cash equivalents (deposit for a period exceeding three months)	-	5,048	-	-
5. Change in cash resulting from currency exchange differences			382	-

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

The difference between the presentation of cash in the balance sheet and the statement of cash flows in 2009 is attributable to the disclosure of a PLN 5m long-term deposit (maturing in more than three months after the balance-sheet date) under investing activities and elimination of accrued interest in the amount of PLN 48 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 2010	Dec 31 2009	Jun 30 2010	Jun 30 2010
Gross (current and non-current) receivables	646,880	325,684	321,196	317,093
Net receivables	644,678	323,541		
Impairment losses on receivables	2,202	2,143		58
Provisions	4,775	6,676		-1,901
Total change in impairment losses and provisions				-1,843
Change in prepayments and accrued income	1,230	1,590	360	359

The difference between the balance-sheet change in gross receivables and the amount recognised in the statement of cash flows is attributable to elimination from receivables of receivables under loans advanced, which were recorded in investing activities, and dividends receivable.

The difference between the balance-sheet change in prepayments and accrued income and the amount recognised in the statement of cash flows is attributable to the recognition of deferred tax on the valuation of financial instruments available for sale under revaluation capital reserve.

Explanation to Other Items of the Statement of Cash Flows

The item “Other cash used in investing activities” for the period January 1st – June 30th 2010 included current loans advanced in the amount of PLN 568 thousand. In the same period of 2009, this item was not disclosed.

Note 14

Clients' Financial Instruments

As at June 30th 2010, financial instruments registered in clients' accounts totalled PLN 211,900 thousand, compared with PLN 253,099 thousand as at December 31st 2009. In H1 2009, the Company did not maintain clients' accounts. Financial instruments entered in clients' accounts are instruments in book-entry form listed on the WSE.

The Company also maintains the sponsor's account, in which financial instruments book-entry listed on the WSE were registered. As at June 30th 2010, those instruments amounted to PLN 228,767 thousand, compared with PLN 191,218 thousand and PLN 194,000 thousand as at December 31st 2009 and June 30th 2009, respectively.

Note 15

Operating Segments

The Company does not identify separate operating segments within its structure and forms a single segment. IPOPEMA Securities' segment comprises brokerage activities, as well as business and management consulting services. Information presented in these financial statements is also information concerning this operating segment.

Note 16

Information on 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. Impairment loss was recognised for the full amount of the disputed receivables. In the periods covered by these financial statements, the Company was not a party to any other court proceedings.

Note 17

Material Events and Factors with a Bearing on the Financial Performance

Situation on the Equity Markets of the Warsaw and Budapest Stock Exchanges

A steady increase in the WIG index, a trend continuing since March 2009, could be seen on the WSE in H1 2010. An upward trend was also recorded in monthly trading values – PLN 33.3bn in the period from January to June 2010 against PLN 24.5bn in the same period of 2009. The Company's market share also improved slightly – 8.47% in H1 2010 against 8.35% in H1 2009.

On the Budapest Stock Exchange, monthly equity trading values grew during the period from January to August 2009 (from EUR 1.9bn in January to EUR 4.5bn in August), which was followed by a slowdown continuing until December 2009 (a drop to EUR 2.2bn). Since the beginning of 2010, monthly trading values began growing again (an increase to EUR 4.5bn in June 2010). IPOPEMA Securities became active on the Hungarian market in March 2010, gaining a monthly market share of 5.91% (ranking 6th) and steadily strengthening its position to gain a 7.86% market share in June 2010 (ranking 4th).

As a result, the Company's revenue from trading in securities grew by 55.9% to PLN 25,730 thousand (from PLN 16,502 thousand in H1 2009).

Handling of Investment Banking Transactions

H1 2010 was also a much more successful period for the Company's investment banking. Revenue from this business segment more than doubled (PLN 9,821 thousand in H1 2010 against PLN 4,617 thousand in H1 2009), driven by an increased number of transactions handled and transactions completed.

Note 18

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 2010. No events occurred after the balance-sheet date which should have been but were not disclosed in the accounting books for the reporting period.

Change in the Company's Shareholder Structure

At the beginning of July 2010, the shareholder structure of IPOPEMA Securities changed materially following sale of the holding of the Company shares by Manchester Securities Corp. As a result, the group of shareholders holding 5% or more of the total number of shares and total vote at the General Shareholders Meeting was expanded by the addition of three financial institutions: Otwarty Fundusz Emerytalny PZU Złota Jesień, funds managed by TFI Allianz Polska S.A., and clients of Pioneer Pekao Investment Management S.A. (through the accounts managed by those financial institutions).

Signing Annexes to Credit Facility Agreements with Alior Bank

After the balance-sheet date, the Company signed annexes to the credit facility agreements with Alior Bank. The annexes extended the term of the agreements until July 20th 2011. For more details see Note 3 to these condensed financial statements.

Warsaw, August 24th 2010

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