



BDO Numerica
International Auditors & Consultants Sp. z o.o.

ul. Postępu 12, 02-676 Warszawa
Tel. +48 (22) 543 16 00
Fax +48 (22) 543 16 01
e-mail: office@bdo.pl
www.bdo.pl

IPOPEMA Securities S.A.
ul. Waliców 11
00-851 Warsaw, Poland

Independent Auditor's Opinion and Report
on the Financial Statements
for the Financial Year January 1st – December 31st 2008

The opinion consists of 2 pages.
The supplementing report consists of 17 pages.

BDO International
621 offices
in 110 countries worldwide

BDO offices in Poland
Warsaw
Katowice
Poznań
Wrocław

Management Board:
André Helin, Kristof Zorde
Andrzej Kinast, Anna Bernaziuk
Leszek Kramarczuk, Krystyna Sakson
Hanna Sztuczyńska
No in the National Court Register (KRS):
0000293339
Tax Identification No. (NIP): 108-000-42-12
Share capital: PLN 500,000



BDO Numerica
International Auditors & Consultants Sp. z o.o.

ul. Postępu 12, 02-676 Warszawa
Tel. +48 (22) 543 16 00
Fax +48 (22) 543 16 01
e-mail: office@bdo.pl
www.bdo.pl

INDEPENDENT AUDITOR'S OPINION

for the General Shareholders Meeting of IPOPEMA Securities S.A.

We have audited the attached financial statements of IPOPEMA Securities S.A., registered office at ul. Waliców 11, Warsaw, Poland, including:

- introduction to the financial statements
- balance sheet as at December 31st 2008, showing a balance-sheet total of **PLN 139,607 thousand**
- income statement for the period January 1st – December 31st 2008, showing a net profit of **PLN 12,499 thousand**
- statement of changes in equity for the period January 1st – December 31st 2008, showing an increase in equity of **PLN 2,499 thousand**
- cash-flow statement for the period January 1st – December 31st 2008, showing an increase in net cash of **PLN 3,129 thousand**
- notes to the financial statements

The Company's Management Board was responsible for the preparation of the financial statements.

Our responsibility was to audit the financial statements and issue an opinion on their accuracy, fairness and clarity and the correctness of accounting records on the basis of which the financial statements were prepared.

Our audit of the financial statements was performed in accordance with:

- 1) Chapter 7 of the Polish Accountancy Act of September 29th 1994 (Dz.U. (Journal of Laws) of 2002, No. 76, item 694, as amended),
- 2) the professional auditing standards issued by the National Board of Chartered Auditors (Krajowa Rada Biegłych Rewidentów).

We planned and performed our audit in such a manner as to obtain a reasonable basis to issue an opinion on the financial statements.

BDO International
621 offices
in 110 countries worldwide

BDO offices in Poland
Warsaw
Katowice
Poznań
Wrocław

Management Board:
André Helin, Kristof Zorde
Andrzej Kinast, Anna Bernaziuk
Leszek Kramarczuk, Krystyna Sakson
Hanna Sztuczyńska
No in the National Court Register
(KRS): 0000293339
Tax Identification No. (NIP): 108-000-42-12
Share capital: PLN 500,000



In particular, our audit included an assessment of the accounting policies and significant estimates used by the Company, an examination – largely on a test basis – of accounting evidence and records relevant to the amounts and disclosures in the financial statements, as well as an assessment of the overall presentation of the financial statements.

We believe that our audit provided us with sufficient evidence to issue a reliable opinion.

In our opinion, the audited financial statements, including the amounts and disclosures contained therein:

- present fairly and clearly all the information which is material for the assessment of IPOPEMA Securities S.A.'s assets and financial standing as at December 31st 2008, as well as its financial performance for the financial year January 1st – December 31st 2008
- were prepared in all material respects in compliance with the accounting policies stipulated in the aforementioned Polish Accountancy Act as well as on the basis of properly maintained accounting records
- comply with the applicable laws and the relevant provisions of the Company's Articles of Association.

The Directors' Report on the Company's operations is complete within the meaning of Art. 49 of the Polish Accountancy Act, and the information contained therein which is derived from the audited financial statements, is consistent with the financial statements.

BDO Numerica

International Auditors & Consultants Sp. z o.o.

ul. Postępu 12

02-676 Warsaw, Poland

Entity qualified to audit financial statements Reg. No. 3355

Person performing the audit:

[signature:] Tomasz Janyst

Tomasz Janyst

Qualified Auditor

Reg. No. 10847/7964

Person acting on behalf of

BDO Numerica

International Auditors & Consultants Sp. z o.o.:

[illegible signature:]

Hanna Sztuczyńska

Qualified Auditor

Reg. No. 9269/6955

Member of the Management Board of BDO Numerica
International Auditors & Consultants Sp. z o.o.

Warsaw, June 4th 2009



BDO Numerica
International Auditors & Consultants Sp. z o.o.

ul. Postępu 12, 02-676 Warszawa
Tel. +48 (22) 543 16 00
Fax +48 (22) 543 16 01
e-mail: office@bdo.pl
www.bdo.pl

IPOPEMA Securities S.A.
ul. Waliców 11
00-851 Warsaw, Poland

Report Supplementing the Independent Auditor's Opinion
on the Financial Statements
for the Financial Year January 1st – December 31st 2008

BDO International
621 offices
in 110 countries worldwide

BDO offices in Poland
Warsaw
Katowice
Poznań
Wrocław

Management Board:
André Helin, Kristof Zorde
Andrzej Kinast, Anna Bernaziuk
Leszek Kramarczuk, Krystyna
Sakson
Hanna Sztuczyńska
No in the National Court Register
(KRS): 0000293339
Tax Identification No. (NIP): 108-000-
42-12
Share capital: PLN 500,000

CONTENTS

I.	GENERAL INFORMATION	3
II.	FINANCIAL ANALYSIS OF THE COMPANY.....	8
III.	DETAILED INFORMATION	13

I. GENERAL INFORMATION

1. Details of the Company

1.1. Name and Form of Incorporation

The Company operates under the name of IPOPEMA Securities Spółka Akcyjna (joint-stock company) and uses the abbreviated name of IPOPEMA Securities S.A.

1.2. Registered Office

ul. Waliców 11, 00-851 Warsaw, Poland.

1.3. Business Profile

Pursuant to the entry in the relevant register and in accordance with the Company's Articles of Association, the Company's business includes:

- brokerage activities and fund management
- other financial intermediation, n.e.c.
- business and management consultancy.

During the period under analysis, the Company's operations consisted mainly in brokerage activities.

1.4. Legal Basis for the Company's Activities

IPOPEMA Securities S.A. operates on the basis of:

- the Articles of Association drawn up in the form of a notarial deed on March 2nd 2005 (number in the register of notarial deeds: Rep. A No. 2640/2005), as amended
- the Polish Commercial Companies Code
- the brokerage licence granted by the Polish Securities and Exchange Commission on June 30th 2005, authorising the Company to conduct brokerage activities within the scope stipulated therein.

1.5. Registration at the Commercial Court

On March 22nd 2005, the Company was entered into the National Court Register at the District Court for the Capital City of Warsaw, XIX (currently XII) Commercial Division, under entry No. KRS 0000230737.

1.6. Registration at the Tax Office and the Provincial Statistics Office

NIP (Tax Identification Number): 5272468122
REGON (Industry Identification Number): 140086881

1.7. Company's Equity and its Changes during the Period Under Analysis

Pursuant to Resolution No. 1 of the General Shareholders Meeting, dated December 5th 2007, the existing shares were split at the ratio of 1:10 and the existing Series B and Series C shares were consolidated into a single series, i.e. Series B. The changes were registered at the National Court Register on January 24th 2008.

As at the balance-sheet date i.e. December 31st 2008, the Company's share capital was PLN 2,857 thousand and was divided into 28,571,410 shares with a par value of PLN 0.10 per share.

As at December 31st 2008, the shareholder structure was as follows¹:

- Manchester Securities Corp. (30.00%)
- Jacek Lewandowski (19.11%)
- IPOPEMA 10 FIZAN (9.98%)
- IPOPEMA PRE-IPO FIZAN (9.98%)
- Katarzyna Lewandowska (9.62%)
- MJM Inwestycje Piskorski S.K.A. (4.50%)
- Futuro Capital Borys S.K.A. (3.25%)
- Stanisław Waczkowski (1.02%)
- Dominium Inwestycje Kryca S.K.A. (1.00%)
- JL S.A. (0.04%)
- other shareholders (11.50%).

As at May 19th 2009, the shareholder structure was as follows²:

- Manchester Securities Corp. (30.00%)
- IPOPEMA 10 FIZAN (9.98%)
- IPOPEMA PRE-IPO FIZ AN (9.98%)
- KL Lewandowska S.K.A. (9.62%)
- JLS Lewandowski S.K.A. (9.55%)
- JLK Lewandowski S.K.A. (9.55%)
- MJM Inwestycje Piskorski S.K.A. (4.50%)
- Futuro Capital Borys S.K.A. (3.25%)
- Stanisław Waczkowski (1.02%)
- Dominium Inwestycje Kryca S.K.A. (1.00%)
- JL S.A. (0.04%)
- other shareholders (11.51%).

¹ Detailed information on page 14.

² Detailed information on page 15.

1.8. Management Board

During the period under analysis, the composition of the Management Board was as follows:

- 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

By the audit completion date, there were no changes in the composition of the Management Board.

1.9. Information on Related Undertakings

The Company is the Parent Undertaking of its Group.

Apart from IPOPEMA Securities S.A., the Group comprises:

- IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A., a wholly-owned subsidiary of IPOPEMA Securities S.A.
- IPOPEMA Business Consulting Sp. z o.o., a wholly-owned subsidiary of IPOPEMA Securities S.A. Under investment agreement concluded in 2008 (later amended by annexes) changes are planned to be made in the shareholder structure of IPOPEMA Business Consulting Sp. z o.o. in 2009.

2. Information on the Audited Financial Statements

We have audited the financial statements of IPOPEMA Securities S.A. for the period January 1st – December 31st 2008, including:

- introduction to the financial statements
- balance sheet as at December 31st 2008, showing a balance-sheet total of **PLN 139,607 thousand**
- income statement for the period January 1st – December 31st 2008, showing a net profit of **PLN 12,499 thousand**
- statement of changes in equity for the period January 1st – December 31st 2008, showing an increase in equity of **PLN 2,499 thousand**
- cash-flow statement for the period January 1st – December 31st 2008, showing an increase in net cash of **PLN 3,129 thousand**
- notes to the financial statements

and the Directors' Report on IPOPEMA Securities S.A.'s operations.

3. Information on the Auditing Firm and the Qualified Auditor Performing the Audit

Pursuant to the Supervisory Board's Resolution No. 1/VIII/2007, on August 23rd 2007 BDO Numerica International Auditors & Consultants Sp. z o.o., registered office at ul. Postępu 12, Warsaw, Poland, entered in the list of entities qualified to audit financial statements under entry No. 3355, was selected as the auditor of IPOPEMA Securities S.A.

Under the agreement of December 18th 2008, as amended by an Annex of March 30th 2009, the audit was performed between March 30th 2009 and the date of publication of the auditor's opinion (at intervals) by the audit team of BDO Numerica International Auditors & Consultants Sp. z o.o. led by Tomasz Janyst (Qualified Auditor Reg. No. 10847/7964).

In compliance with Art. 66 of the Polish Accountancy Act, the entity qualified to audit financial statements – BDO Numerica International Auditors & Consultants Sp. z o.o., members of its Management Board and Supervisory Board, the qualified auditor and other persons participating in the audit met the requirement of independence from the audited Company.

During the audit, the Company provided the auditor with the required data, information and explanations necessary to carry out the audit, and represented that no material events occurred in the period from the balance-sheet date to the date of the representation.

The auditor was not restricted in any way as to the choice of methods applied during the audit.

4. Information on the Financial Statements for the Previous Year

The accounting books were opened on the basis of the financial statements prepared for the period January 1st – December 31st 2007, which were audited by BDO Numerica S.A. (legal predecessor of BDO Numerica International Auditors & Consultants Sp. z o.o.) and on which an unqualified opinion was issued.

The Company's financial statements for the period January 1st – December 31st 2007 were approved by virtue of Resolution No. 1 of the General Shareholders Meeting, dated June 30th 2008.

Pursuant to its Resolution No. 3, the General Shareholders Meeting decided to distribute the Company's profit of PLN 28,653 thousand, earned in the period January 1st – December 31st 2007 as follows: (i) PLN 10,000 thousand was allocated for payment of dividend to the Company's shareholders, and (ii) the balance of PLN 18,653 thousand was allocated to reserve funds.

The financial statements for 2007 were filed timely with the Tax Office and the Registry Court, and published in *Monitor Polski B* No. 2027 of December 15th 2008.

5. Other Material Events in the Reporting Period

5.1 Tax Inspections

In the period under analysis no tax inspections were carried out at the Company.

5.2 Inspections Carried Out by the Polish Financial Supervision Authority

During the period under analysis, between February 27th 2008 and June 27th 2008, an inspection was carried out at the Company with respect to its operations, under Art. 26.1 and Art. 24 of the Act on Capital Market Supervision of July 25th 2005 (Dz.U. No. 183, item 1537). The purpose of the inspection was to check whether the Company's operations and financial standing are consistent with the law, the terms and conditions of its authorisations, the principles of fair trading and the interests of its customers, and in particular with the provisions of:

- the Act on Trading in Financial Instruments of July 29th 2005 (Dz.U. No. 183, item 1538)
- the Minister of Finance's Regulation on the operating procedures to be followed and conditions to be met by investment firms and custodian banks, dated December 28th 2005 (Dz.U. No. 2, item 8)
- the Minister of Finance's Regulation on technical and organisational conditions required to be met by investment firms and custodian banks, dated April 14th 2006 (Dz.U. No. 67, item 480)
- the Minister of Finance's Regulation on the scope and detailed rules for determining the capital requirements and the maximum amounts of loans and debt securities in issue relative to the amount of capitals, dated April 14th 2006 (Dz.U. No. 37, item 479).

As a result of the inspection, on September 17th 2009 the Company received post-inspection recommendations to eliminate the irregularities which were identified; the Company immediately set about doing that, having informed the PFSA accordingly. The inspectors did not report any reservations with respect to the Company's financial statements.

II. FINANCIAL ANALYSIS OF THE COMPANY

Below are presented selected items of the Company's balance sheet and income statement, as well as key financial ratios, in comparison with the corresponding figures in 2007.

The analysis presented below was prepared on the basis of the data derived from the Company's balance sheet.

1.1. Key Balance-Sheet Items

(PLN '000)

	<u>Dec 31 2008</u>	% of balance- sheet total	<u>Dec 31 2007</u>	% of balance- sheet total	<u>Dec 31 2006</u>	% of balance- sheet total
ASSETS						
Cash and cash equivalents	35,241	25.24	32,112	49.18	8,476	11.23
Current receivables	92,584	66.32	22,151	33.93	64,921	86.00
Financial instruments held for trading	1,803	1.29	4,553	6.97	10	0.01
Current prepayments and accrued income	406	0.29	652	1.00	16	0.02
Financial instruments held for sale	6,357	4.55	2,700	4.14	0	0.00
Intangible assets	1,309	0.94	615	0.94	727	0.96
Property, plant and equipment	1,374	0.98	1,280	1.96	1,285	1.70
Non-current prepayments and accrued income	533	0.38	1,227	1.88	52	0.07
TOTAL ASSETS	<u>139,607</u>	100.00	<u>65,290</u>	100.00	<u>75,488</u>	100.00
EQUITY AND LIABILITIES						
Liabilities and provisions for liabilities						
Current liabilities	91,373	65.45	16,227	24.85	61,023	80.84
Non-current liabilities	0	0.00	0	0.00	0	0.00
Accruals and deferred income	0	0.00	0	0.00	0	0.00
Provisions for liabilities	2,851	2.04	6,179	9.46	234	0.31
	<u>94,224</u>	67.49	<u>22,406</u>	34.32	<u>61,257</u>	81.15
Equity						
Share capital	2,857	2.05	2,857	4.38	2,857	3.78
Reserve funds	30,027	21.51	11,374	17.42	7,148	9.47
Revaluation capital reserve	0	0.00	0	0.00	0	0.00
Other reserves	0	0.00	0	0.00	0	0.00
Retained earnings/(deficit)	0	0.00	0	0.00	-43	-0.06
Net profit/(loss) for the year	12,499	8.95	28,653	43.89	4,268	5.65
	<u>45,383</u>	32.51	<u>42,884</u>	65.68	<u>14,231</u>	18.85
TOTAL EQUITY AND LIABILITIES	<u>139,607</u>	100.00	<u>65,290</u>	100.00	<u>75,488</u>	100.00

1.2. Key Items of the Income Statement

(PLN'000)

	Year ended Dec 31 2008	Y-o-y change 2008/2007	Year ended Dec 31 2007	Y-o-y change 2007/2006	Year ended Dec 31 2006
Revenue from brokerage activities:					
Commissions	45,895	-36.2%	71,916	-	9,942
Other revenue	3,324	-62.9%	8,961	-	444
	49,219	-39.1%	80,877	-	10,385
Costs of brokerage activities:					
Affiliation	-	-	-	-	0
Fees payable to regulated securities markets, commodity exchanges, the National Depository for Securities and exchange clearing houses	8,796	-31.3%	12,803	-	1,535
Fees payable to commercial chamber	35	-	0	-	0
Salaries and wages	14,642	-22.0%	18,762	1168.2%	1,479
Social security	750	-38.1%	1,211	1235.7%	91
Employee benefits	153	66.4%	92	-	29
Materials and energy used	159	-32.2%	235	-	67
Costs of maintenance and lease of buildings	567	-0.3%	569	257.6%	159
Other costs by type	0	-	0	-	0
Depreciation and amortisation	1,349	54.9%	871	-	233
Taxes and other public charges	851	-15.9%	1,012	376.6%	212
Commissions and other fees	0	-	0	-	0
Other	3,555	-20.5%	4,473	-	800
	30,857	-22.9%	40,028	769.4%	4,604
Profit (loss) on brokerage activity:	18,362	-55.0%	40,849	606.6%	5,781
Income from financial instruments held for trading:					
Dividends and other distributions from profit	44	-	0	-	0
Interest	0	-	0	-	0
Valuation adjustments	0	-	0	-	0
Gain on sale/redemption	484	-	0	-	0
Other	92	-	0	-	0
	620	-	0	-	0
Costs related to financial instruments held for trading:					
Loss on sale/redemption	3,060	-	0	-	0
	3,060				
Gain (loss) on transactions in financial instruments held for trading:	-2,440	-	0	-	0
Income from financial instruments held to maturity:					
Interest	0	-	0	-	0
Valuation adjustments	0	-	0	-	0
Accretion of discount on debt securities	0	-	0	-	0
Gain on sale/redemption	0	-	0	-	0
Other	0	-	0	-	0
	0	-	0	-	0
Costs related to financial instruments held to maturity:					
Valuation adjustments	0	-	0	-	0
Amortisation of premium on debt securities	0	-	0	-	0
Loss on sale/redemption	0	-	0	-	0
Other	0	-	0	-	0
	0	-	0	-	0

Gain (loss) on transactions in financial instruments held to maturity:	<u>0</u>	-	<u>0</u>	-	<u>0</u>
Income from financial instruments available for sale:					
Dividends and other distributions from profit	0	-	0	-	0
Interest	0	-	0	-	0
Valuation adjustments	0	-	0	-	0
Gain on sale/redemption	0	-	0	-	0
Accretion of discount on debt securities	0	-	0	-	0
Other	0	-	0	-	0
	<u>0</u>	-	<u>0</u>	-	<u>0</u>
Costs related to financial instruments available for sale:					
Valuation adjustments	0	-	0	-	0
Loss on sale/redemption	0	-	0	-	0
Amortisation of premium on debt securities	0	-	0	-	0
Other	43	-	0	-	0
	<u>43</u>	-	<u>0</u>	-	<u>0</u>
Gain (loss) on transactions in financial instruments available for sale:	<u>-43</u>	-	<u>0</u>	-	<u>0</u>
Other operating income:					
Gain on sale of non-current assets	0	-	0	-	0
Other	178	-	17	-	0
	<u>178</u>	-	<u>17</u>	-	<u>0</u>
Other operating expenses:					
Loss on sale of non-current assets	0	-	0	-	0
Revaluation of non-financial assets	0	-	0	-	0
Other	365	8.1%	338	-	12
	<u>365</u>	<u>8.1%</u>	<u>338</u>	-	<u>12</u>
Difference between provisions and impairment charges for receivables					
Provisions released	0		0		0
Provisions created	0		0		0
Reversal of impairment charges for receivables	156		0		0
Recognition of impairment charges for receivables	1,407		0		0
	<u>-1,251</u>		<u>0</u>		<u>0</u>
Operating profit (loss):	<u>14,441</u>	-	<u>40,528</u>	602.5%	<u>5,770</u>
Financial income:					
Interest	2,407	-	1,597		0
Other interest	170		0		0
Foreign-exchange gains	46		0		0
Other	534	-	110	-	173
	<u>3,157</u>	<u>84.9%</u>	<u>1,707</u>	<u>889.1%</u>	<u>173</u>
Financial expenses:					
Interest	888	-47.0%	1,675	-	224
Other interest	301		8		
Foreign-exchange losses	41		2,701		
Other	550	-76.0%	2,296	-	417
	<u>1,780</u>	<u>-73.4%</u>	<u>6,680</u>	-	<u>642</u>
Extraordinary gains (losses):	<u>0</u>	-	<u>0</u>	-	<u>0</u>
Pre-tax profit / loss:	<u>15,818</u>	<u>-55.5%</u>	<u>35,555</u>	-	<u>5,301</u>
Corporate income tax	3,319	-51.9%	6,902	-	1,032
Net profit / loss:	<u>12,499</u>	<u>-56.4%</u>	<u>28,654</u>	-	<u>4,268</u>

1.3. Key financial ratios

	<u>Year ended Dec 31 2008</u>	<u>Year ended Dec 31 2007</u>	<u>Year ended Dec 31 2006</u>
Return on assets			
$\frac{\text{Net profit (loss)}}{\text{Total assets}}$	8.95%	43.89%	* not analysed
Return on equity			
$\frac{\text{Net profit (loss)}}{\text{Equity}}$	27.54%	66.82%	* not analysed
Net margin			
$\frac{\text{Net profit (loss)}}{\text{Sales revenue}}$	25.39%	35.43%	* not analysed
Average collection period (days) *)			
$\frac{\text{Average gross trade receivables * 360 days}}{\text{Sales revenue}}$	27	15	* not analysed
Average payment period (days) **)			
$\frac{\text{Average gross trade payables * 360 days}}{\text{Costs by type}}$	17	14	* not analysed
Equity financing of assets			
$\frac{\text{Equity}}{\text{Non-current assets}}$	14.11	13.73	6.89
Book value per share			
$\frac{\text{Equity}}{\text{Number of shares}}$	1.59	15.01	20.33
Earnings per share			
$\frac{\text{Net profit (loss) for 12 months}}{\text{Number of shares}}$	0.44	10.03	* not analysed

*) The average collection period (days) is measured as gross receivables from transactions in securities and other transactions divided by revenue from capital markets.
Receivables do not include any balances of settlements covering the value of the traded securities.

***) The average payment period (days) is measured as gross payables under transactions in securities and other transactions divided by costs by type.
Payables do not include any balances of settlements covering the value of the traded securities.

1.4. Interpretation of the Ratios. Overall Economic Standing

In the period under analysis, the balance-sheet total increased by approx. 114% compared with 2007.

Current receivables (accounting for 66.32% of the balance-sheet total) and cash and cash equivalents (accounting for 25.24% of the balance-sheet total) were the largest items under assets. Receivables from clients were the largest item under current receivables, representing approx. 75.02% of total current receivables.

As compared with 2007, the share of cash in the balance-sheet total dropped by nearly 9.75%, while the share of current receivables in the balance-sheet total rose by 317.97%. To note, the balance-sheet total more than doubled year-on-year – from PLN 65,290 thousand in 2007 to PLN 139,607 thousand in 2008.

Current liabilities were the largest item of equity and liabilities, accounting for 65.45% of the balance-sheet total. The highest amount under current liabilities were liabilities to brokerage offices, other brokerage houses and commodity brokerage houses, which totalled PLN 69,647 thousand.

Net profit earned by the Company in 2008 was PLN 12,499 thousand, down by 56.4% year-on-year.

ROA and ROE, which measure a company's ability to use its resources to generate profit, were lower than a year earlier due to the fact that in 2008 the Company recorded a lower net profit than in 2007. Net margin also deteriorated from 35.43% in 2007 to 25.39% in 2008.

Average payment period in 2008 was 17 days and was by three days longer than in 2007. Average collection period in 2008 was 27 days, which was longer by 12 days as compared with 2007. This means that the period that the Company has to wait to be paid its receivables is longer than the time in which the Company pays its liabilities. Average payment period (days) is calculated on the basis of gross liabilities other than liabilities under transactions in securities, which account for the vast majority (91%) of the total liabilities. The time of settlement of stock-exchange transactions, whether in the case of liabilities or receivables, is T+3.

There was a slight increase in equity financing of assets: in 2008 this ratio stood at 14.11, as compared with 13.74 in 2007.

The results posted by IPOPEMA Securities S.A. and its overall financial standing indicate no threats to the Company's continuing as a going concern within the meaning of the Polish Accountancy Act.

III. DETAILED INFORMATION

1. Assessment of the Accounting and Internal Audit Systems

The examination of the accounting books and the accounting evidence on the basis of which accounting entries are made, as well as of the consistency of the data contained in the accounting books with the audited financial statements, which was carried out on a test basis for the purposes of assessment of the financial statements, warrants a conclusion that in general the accounting books were properly maintained.

The inventory taking of assets and equity and liabilities, which was performed in such scope, at such times and with such frequency as required by the Polish Accountancy Act (Dz. U. of 2002, No. 76, item 694, as amended), may be considered correct; any identified discrepancies were accounted for in the accounting books for the year under analysis.

The examination of the internal audit system was carried out to the extent that was relevant for the assessment of the financial statements. The purpose of the examination was not to identify all possible irregularities of the system. Therefore, our review of the internal audit system could have failed to demonstrate all material defects in the structure of the system.

2. Information on Selected Material Items of the Balance Sheet and Income Statement (PLN'000)

Cash and cash equivalents	35,241
% of the balance-sheet total	25.24%

The balance of cash in hand, cash at banks, and other financial assets is maintained at a high level.

Deposits and interest accrued as at the balance-sheet date (approx. 74.43% of the total balance) and cash at banks (approx. 25.56% of the total balance) represent the most prominent items under cash and cash equivalents.

Current receivables	92,584
% of the balance-sheet total	66.32%

Current receivables from clients, which account for approximately 75.02% of total current receivables, stand out as the most significant item of total current receivables.

Receivables from brokerage offices, other brokerage houses and commodity brokerage houses under executed transactions represent 16.35% of total current receivables, while receivables from the National Depository for Securities and exchange clearing houses in connection with contributions to the Guarantee Fund account for 7.19% of total current receivables.

Other receivables are receivables from issuers of securities or are related to taxes and other public charges.

As at the balance-sheet date, impairment charges for current receivables amounted to PLN 1,430 thousand.

Financial instruments held for trading	1,803
% of the balance-sheet total	1.29%

The balance of financial instruments held for trading comprises shares held for trading by the Company.

Financial instruments held for sale	6,357
% of the balance-sheet total	4.55%

IPOPEMA Securities S.A., IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A. and IPOPEMA Business Consulting Sp. z o.o. form a Group of which IPOPEMA Securities S.A. is the Parent Undertaking. As at the balance-sheet date, i.e. December 31st 2008, and until the audit completion date, IPOPEMA Securities S.A. held 100% of the shares in the subsidiaries. As at December 31st 2008, the Company held 20 investment certificates in closed-end private equity fund IPOPEMA FINE WINE FIZ Aktywów Niepublicznych with the carrying value of PLN 194,839.40 and one investment certificate in closed-end private equity fund IPOPEMA 8 FIZ Aktywów Niepublicznych with the carrying value of PLN 161,912.30.

Share capital	2,857
% of the balance-sheet total	2.05%

As at December 31st 2008, the Company's share capital amounted to PLN 2,857 thousand, and was divided into 28,571,410 shares with a par value of PLN 0.10 per share. The shares carried no preference.

As at December 31st 2008, the shareholder structure was as follows:

- Manchester Securities Corp. (30.00%)
- Jacek Lewandowski (19.11%)
- IPOPEMA 10 FIZAN (9.98%)³
- IPOPEMA PRE-IPO FIZAN (9.98%)⁴
- Katarzyna Lewandowska (9.62%)
- MJM Inwestycje Piskorski S.K.A. (4.50%)⁵
- Futuro Capital Borys S.K.A. (3.25%)⁶
- Stanisław Waczkowski (1.02%)
- Dominium Inwestycje Kryca S.K.A. (1.00%)⁷
- JL S.A. (0.04%)⁸
- other shareholders (11.50%)⁹.

³ Stanisław Waczkowski is the only participant in IPOPEMA 10 FIZAN.

⁴ Jacek Lewandowski is the only participant in IPOPEMA PRE-IPO FIZAN.

⁵ A subsidiary of Mariusz Piskorski.

⁶ A subsidiary of Mirosław Borys.

⁷ A subsidiary of Bogdan Kryca.

⁸ A subsidiary of Jacek Lewandowski.

⁹ Current and former employees of the Company, their subsidiaries or related parties.

As at May 19th 2009, the shareholder structure was as follows:

- Manchester Securities Corp. (30.00%)
- IPOPEMA 10 FIZAN (9.98%)¹⁰
- IPOPEMA PRE-IPO FIZ AN (9.98%)¹¹
- KL Lewandowska S.K.A. (9.62%)¹²
- JLS Lewandowski S.K.A. (9.55%)¹³
- JLK Lewandowski S.K.A. (9.55%)¹⁴
- MJM Inwestycje Piskorski S.K.A. (4.50%)¹⁵
- Futuro Capital Borys S.K.A. (3.25%)¹⁶
- Stanisław Waczkowski (1.02%)
- Dominium Inwestycje Kryca S.K.A. (1.00%)¹⁷
- JL S.A. (0.04%)¹⁸
- other shareholders (11.50%)¹⁹.

Reserve funds	30,027
% of the balance-sheet total	21.51%

Pursuant to the General Shareholders Meeting's Resolution No. 3 of June 30th 2008, reserve funds were increased during the period under analysis by PLN 18,653 thousand, by way of a contribution from the net profit earned in the period January 1st – December 31st 2007.

Net profit	12,499
% of the balance-sheet total	8.95%

Net profit earned by the Company during the period under analysis was PLN 12,499 thousand, and was down by 56.4% year on year, chiefly due to a 39.1% decrease in revenue from brokerage activities.

Revenue from brokerage activities	49,219
--	---------------

The Company prepares its income statement in the format provided for in the Regulation of the Minister of Finance on special accounting policies to be applied by brokerage houses and banks' organisational units conducting brokerage activities, dated December 27th 2007.

¹⁰ Stanisław Waczkowski is the only participant in IPOPEMA 10 FIZAN.

¹¹ Jacek Lewandowski is the only participant in IPOPEMA PRE-IPO FIZAN.

¹² A subsidiary of Katarzyna Lewandowska; in addition, Katarzyna Lewandowska holds 498 Shares, representing less than 0.01% of the total number of the Company Shares, which were accounted for under "other shareholders".

¹³ A subsidiary of Jacek Lewandowski.

¹⁴ A subsidiary of Jacek Lewandowski.

¹⁵ A subsidiary of Mariusz Piskorski.

¹⁶ A subsidiary of Mirosław Borys.

¹⁷ A subsidiary of Bogdan Kryca.

¹⁸ A subsidiary of Jacek Lewandowski.

¹⁹ Current and former employees of the Company, their subsidiaries or related parties, including Jacek Lewandowski who holds directly 860 Shares, representing less than 0.01% of the total number of the Company Shares, and Katarzyna Lewandowska (as described in item 12 above).

The amounts of revenue from brokerage activities presented in the income statement are consistent with the figures recorded in the accounting books.

The Company provides brokerage and business and management consultancy services.

In 2008, revenue from brokerage activities posted by the Company declined by 39.1% year on year.

Costs of brokerage activities **30,857**

The largest items under costs of brokerage activities are salaries and wages (representing ca. 47.45% of total costs of brokerage activities), and fees payable to regulated securities markets, commodity exchanges, the National Depository for Securities and exchange clearing houses (ca. 28.51% of total costs of brokerage activities).

Revenues and costs presented in the financial statements were fully disclosed, correctly attributed to the reporting period to which they related and documented with appropriate evidence.

For detailed information on the items of the balance sheet and income statement, see notes to the financial statements of IPOPEMA Securities S.A.

3. Introduction to the Financial Statements

In compliance with the requirements of the Polish Accountancy Act, IPOPEMA Securities S.A. prepared the introduction to the financial statements.

4. Notes to the Financial Statements

In compliance with the requirements of the Polish Accountancy Act, IPOPEMA Securities S.A. prepared notes to the financial statements. The amounts contained in the notes are sourced from the accounting records and are consistent with the data presented in the audited financial statements.

5. Statement of Changes in Equity

The data contained in the statement of changes in equity is correctly related to the balance sheet and the accounting records and it gives an accurate and fair view of the changes in the Company's equity.

6. Cash-Flow Statement

The cash-flow statement was prepared by the Company in compliance with the provisions of Art. 48b of the Polish Accountancy Act, using the indirect method, and is correctly related to the relevant items of the balance sheet, the income statement and the relevant entries in the accounting books.

7. Directors' Report on the Company's Operations

The Management Board prepared the Directors' Report on the Company's operations, as required by Art. 49 of the Polish Accountancy Act and the Polish Commercial Companies Code. The information contained in the Directors' Report is consistent with the data presented in the audited financial statements.

8. Statement by the Company's Management

The Company's Management Board made a written statement to the effect that the data in the accounting books was disclosed fully and completely, that all contingent liabilities were disclosed and that no material events occurred subsequent to the balance-sheet date.

BDO Numerica
International Auditors & Consultants Sp. z o.o.
ul. Postępu 12
02-676 Warsaw, Poland
Entity qualified to audit financial statements No. 3355

Person performing the audit:

[*signature*:] Tomasz Janyst
Tomasz Janyst
Qualified Auditor
Reg. No. 10847/7964

**Person acting on behalf of
BDO Numerica**

International Auditors & Consultants Sp. z o.o.:

[*illegible signature*]
Hanna Sztuczyńska
Qualified Auditor
Reg. No. 9269/6955
Member of the Management Board of BDO Numerica
International Auditors & Consultants Sp. z o.o.

Warsaw, June 4th 2009

