

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

Dear Shareholders,

It is with great pleasure that I present to you the Annual Report detailing the financial performance and achievements of the IPOPEMA Group in 2011.

It was another good year for the business of the Group, as demonstrated by higher revenues and net profit across all operating segments. The brokerage and related services segment (IPOPEMA Securities) was no exception and reported a rise in revenue and net profit (though only by a few per cent), despite the fact that after the relatively bullish first half of the year, the second half brought a significant deterioration of the market sentiment on the WSE, which virtually closed the equity market to new transactions. Higher number of funds managed by IPOPEMA TFI (56 as at the end of 2011 relative to 51 a year before) and a significant growth of assets under management (PLN 6.1bn at the end of 2011 relative to 3.9bn a year before) translated into an approximately 30% rise in both revenue and net profit generated by the asset management segment. As regards the Group's consultancy business, the continued execution of mandates secured in 2010 and further building of the order book driven by the anchor clients in 2011, coupled with a nearly 30% revenue expansion allowed IPOPEMA Business Consulting to post a four-fold surge in net profit.

The most important corporate development for the IPOPEMA Group in 2011 was the acquisition of Credit Suisse Asset Management (Polska), which has operated as IPOPEMA Asset Management since October 2011. The addition of this company to the IPOPEMA Group was in line with the Group's development strategy in the asset management segment and allowed us to significantly expand the asset management business and build up the existing offering. The acquisition is already seen in the 2011 results, as IPOPEMA Asset Management has been consolidated by the Group within the fund management segment as of Q4 2011.

An equally important corporate event was the expansion of IPOPEMA Securities's geographical reach – until 2011, the Company provided brokerage services only in Poland and Hungary. In Q4 2011, IPOPEMA Securities became a member of the Prague Stock Exchange (PSE) as the first Polish (and the second foreign) broker. Following a period of test transactions, in Q1 2012 the Company started to provide services to external clients, focusing primarily on the equity market. Also, we intend to further expand our research coverage (which already includes 70 companies listed on WSE and BSE) onto the largest companies listed on the stock exchange in Prague.

I am also pleased to report that in 2011 the quality of services rendered by IPOPEMA Securities was yet again appreciated by the market in a number of rankings. After a few years among leaders in the Forbes magazine's list of brokerage houses serving institutional investors, in 2011 IPOPEMA Securities was ranked the best. But institutional investors also picked the best brokers -- as many as three of those named (including the winner) are members of the IPOPEMA team. Our research team was also twice recognised for its expertise: according to the Forbes magazine's annual ranking, the portfolio created based on the recommendations of IPOPEMA's analysts has yielded the highest rate of return since 2009. In the ranking compiled by the Parkiet daily, two of IPOPEMA Securities's analysts were peerless in their respective categories. Moreover, IPOPEMA Securities was distinguished by the Warsaw Stock Exchange – we ranked first in "the largest number of IPO transactions in 2010-2011" category.

In 2012, we will focus on strengthening our position across all segments of our business, hoping that these efforts will be reflected in improved financial performance of the IPOPEMA Group and sustainable growth of its value.

Yours faithfully,

Jacek Lewandowski
President of the Management Board

Warsaw, March 20th 2012