

**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 2011**

**INDEPENDENT AUDITOR'S OPINION**  
**for the General Meeting**  
**and the Supervisory Board 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 2011, showing a balance-sheet total of PLN 607,285 thousand;
- income statement for the financial year January 1st–December 31st 2011, showing a net profit of PLN 15,585 thousand;
- statement of changes in equity for the financial year January 1st–December 31st 2011, showing an increase in equity of PLN 1,219 thousand;
- statement of cash flows for the financial year January 1st–December 31st 2011, showing an increase in net cash of PLN 1,749 thousand;
- notes.

The Company's Management Board was responsible for the preparation of the financial statements and the Directors' Report in compliance with the applicable regulations.

The Company's Management Board and Supervisory Board are responsible for ensuring that the financial statements and the Directors' Report comply with the requirements of the Polish Accountancy Act of September 29th 1994 (Dz. U. of 2009, No. 152, item 1223, as amended), hereinafter the "Accountancy Act".

Our responsibility was to audit the financial statements and issue an opinion on whether the financial statements comply with the applicable accounting policies, whether they fairly and clearly reflect, in all material respects, the assets, financial standing and financial result of the Company, and whether the accounting records which were the basis for the preparation of the financial statements were properly maintained.

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

- 1) chapter 7 of the Accountancy Act;
- 2) Polish financial auditing standards, issued by the National Council of Statutory 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. 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 the opinion.

In our opinion, the audited financial statements, in all material respects:

- present fairly and clearly all the information which is material for the assessment of the Company's assets and financial standing as at December 31st 2011, as well as of its financial result for the financial year January 1st-December 31st 2011;
- were prepared in compliance with the applicable accounting policies and 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. 49.2 of the Polish Accountancy Act and conforms to the provisions of the Regulation of the Minister of Finance on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated February 19th 2009 (Dz. U. of 2009, No. 33, item 259). The information contained in the Directors' Report which is derived from the audited financial statements is consistent with the financial statements.

Warsaw, March 20th 2012

**BDO Sp. z o.o.**  
**ul. Postępu 12**  
**02-676 Warsaw, Poland**  
**Entity qualified to audit financial statements, Reg. No. 3355**

**Chief auditor performing the audit:**

**Katarzyna Iwuć, PhD**  
Qualified auditor  
Reg. No. 11771

**Person acting on behalf of BDO Sp. z o.o.:**

**André Helin, PhD**  
President of the Management Board  
Qualified Auditor, Reg. No. 90004

**Report**  
**on the audit of the financial statements of**  
**IPOPEMA Securities S.A.**

**for the financial year**  
**January 1st–December 31st 2011**

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This report consists of 14 pages

## I. GENERAL INFORMATION

### 1. Details of the Company

#### 1.1. Name and form of incorporation

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

#### 1.2. Registered office

The Company has its registered office at ul. Waliców 11, 00-851 Warsaw, Poland.

#### 1.3. Business profile

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

- brokerage activities on the securities and commodity markets,
- other financial services not elsewhere classified, except insurance and pension fund services,
- other business and management consultancy.

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

#### 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 of March 2nd 2005 (Rep. A No. 2640/2005), as amended,
- brokerage licence No. DDM-M-4020-60-1/2005 granted by the Polish Securities and Exchange Commission on June 30th 2005, authorising the Company to conduct brokerage activities within the scope stipulated therein, and
- the Polish Commercial Companies Code.

#### 1.5. Court registration

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

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

NIP (Tax Identification Number) 527-24-68-122

REGON (Industry Identification Number) 140086881

### 1.7. Share capital and equity

As at December 31st 2011, the Company's share capital amounted to PLN 2,955 thousand and was divided into 29,554,801 shares with a par value of PLN 0.10 per share.

As at December 31st 2011, the shareholder structure of IPOPEMA Securities S.A., according to the information provided by the Management Board, was as follows:

Shareholder	No. of shares and votes at GM	% of total vote at GM
Fundusz IPOPEMA 10 FIZAN <sup>1</sup>	2,851,420	9.65%
Fundusz IPOPEMA PRE-IPO FIZAN <sup>2</sup>	2,188,370	7.40%
KL Lewandowska S.K.A. <sup>3</sup>	2,086,749	7.06%
JLK Lewandowski S.K.A. <sup>4</sup>	2,066,249	6.99%
JLS Lewandowski S.K.A. <sup>4</sup>	2,066,249	6.99%
PZU OFE *	2,251,346	7.62%
TFI Allianz Polska S.A. <sup>5 *</sup>	1,922,383	6.50%
Other shareholders	14,122,035	47.78%
<b>Total shareholders</b>	<b>29,554,801</b>	<b>100.00%</b>

<sup>1</sup> The only investor in the Fund is Mr Stanisław Waczkowski, Vice-President of the Company's Management Board.

<sup>2</sup> The investors in the Fund are Mr Jacek Lewandowski, President of the Company's Management Board (principal investor), and Ms Katarzyna Lewandowska.

<sup>3</sup> A subsidiary of Ms Katarzyna Lewandowska.

<sup>4</sup> A subsidiary of Mr Jacek Lewandowski, President of the Company's Management Board. NB: Jacek Lewandowski holds 860 shares, representing less than 0.01% of the Company's share capital.

<sup>5</sup> Shares held by Allianz Platinum FIZ fund and Allianz FIO funds.

For details on the shareholder structure, see Notes to the Company's financial statements.

In 2011, the share capital was increased within the limit of conditional share capital by PLN 21 thousand.

On February 9th 2011, a resolution on subscription of shares with a value of PLN 21 thousand under the Company's Incentive Scheme was adopted. Consequently, 212,500 Series C ordinary registered shares with a par value of PLN 0.10 were subscribed for. The shares were issued within the limit of conditional share capital, from a separate pool of shares representing Share Option Plan II under the Incentive Scheme.

In addition, as at December 31st 2011 the Company's equity included:

— statutory reserve funds	PLN 46,768 thousand
— revaluation capital reserve	PLN -7 thousand
— net profit for current year	PLN 15,585 thousand

As at December 31st 2011, the Company's equity was PLN 65,301 thousand.

As at the date of this opinion, the shareholder structure of IPOPEMA Securities S.A., according to the information provided by the Management Board, was as follows:

Shareholder	No. of shares and votes at GM	% of total vote at GM
Fundusz IPOPEMA 10 FIZAN <sup>1</sup>	2,851,420	9.58%
Fundusz IPOPEMA PRE-IPO FIZAN <sup>2</sup>	2,188,370	7.36%
KL Lewandowska S.K.A. <sup>3</sup>	2,086,749	7.01%
JLK Lewandowski S.K.A. <sup>4</sup>	2,066,249	6.94%
JLS Lewandowski S.K.A. <sup>4</sup>	2,066,249	6.94%
PZU OFE *	2,251,346	7.57%
TFI Allianz Polska S.A. <sup>5 *</sup>	1,922,383	6.46%
Aviva OFE Aviva BZ WBK**	1,562,539	5.25%
Other shareholders	12,756,817	42.88%
<b>Total shareholders</b>	<b>29,752,122</b>	<b>100.00%</b>

In February 2012, another pool of 197,321 Series C ordinary registered shares was issued under the Company's Incentive Scheme - Share Option Plan II, all of which were subscribed for. The shares were issued within the limit of conditional share capital, from a separate pool of shares representing Share Option Plan II under the Incentive Scheme.

#### 1.8. Management Board

As at December 31st 2011, 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

In the period under analysis and by the audit completion date, there were no changes in the composition of the Management Board.

#### 1.9. Supervisory Board

As at December 31st 2011, the Supervisory Board was composed of:

- Jacek Jonak Chairman of the Supervisory Board
- Roman Miler Deputy Chairman of the Supervisory Board
- Janusz Diemko Secretary of the Supervisory Board
  
- Bogdan Kryca Member of the Supervisory Board
- Wiktor Sliwinski Member of the Supervisory Board

In the period under analysis and by the audit completion date, there were no changes in the composition of the Supervisory Board.

#### **1.10. Information on related entities**

The Company is the parent of the IPOPEMA Securities Group and prepares consolidated financial statements.

The Company's related entities include the following members of the IPOPEMA Securities Group:

- IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A., a wholly-owned subsidiary of IPOPEMA Securities S.A.,
- IPOPEMA Business Consulting Sp. z o.o., a subsidiary of IPOPEMA Securities S.A.; 50.02% of shares are held by the Company,
- IPOPEMA Business Services Kft., a wholly-owned subsidiary of IPOPEMA Securities S.A.
- IPOPEMA Asset Management S.A., a wholly-owned subsidiary of IPOPEMA Securities S.A.

## 2. Information on the audited financial statements

The audit covered the financial statements of IPOPEMA Securities S.A. for the financial year January 1st–December 31st 2011, consisting of:

- introduction to the financial statements;
- balance sheet as at December 31st 2011, showing a balance-sheet total of PLN 607,285 thousand;
- income statement for the financial year January 1st–December 31st 2011, showing a net profit of PLN 15,585 thousand;
- statement of changes in equity for the financial year January 1st–December 31st 2011, showing an increase in equity of PLN 1,219 thousand;
- statement of cash flows for the financial year January 1st–December 31st 2011, showing an increase in net cash of PLN 1,749 thousand;
- notes.

and the Directors' Report on IPOPEMA Securities S.A.'s operations in 2011.

## 3. Information on the auditing firm and the qualified auditor performing the audit

The audit of the IPOPEMA Securities S.A.'s financial statements for 2011 was performed by BDO Sp. z o.o., registered office at ul. Postępu 12, Warsaw, Poland, entered in the list of entities qualified to audit financial statements maintained by the National Chamber of Statutory Auditors (*Krajowa Izba Biegłych Rewidentów*) under Reg. No. 3355.

The auditor was selected by the Supervisory Board of the Company by virtue of its Resolution dated August 23rd 2007.

The audit was performed under an agreement for audit services, dated July 15th 2011, by chief qualified auditor Katarzyna Iwuć, PhD (Qualified Auditor Reg. No. 11771). It was performed between February 22nd 2012 and the date of issue of the auditor's opinion. The audit was preceded by a review of the financial statements for H1 2011 and a preliminary audit.

We hereby represent that BDO Sp. z o.o. and the qualified auditor, including the audit team performing the audit of the financial statements, satisfy the relevant criteria for issuing an objective and independent opinion on the audited statements, in accordance with the provisions of Art. 56.3 and 4 of the Act on Qualified Auditors, their Self-Government, Entities Qualified to Audit Financial Statements and on Public Supervision (Dz.U. of 2009, No. 77, item 649).

The audit was performed with the assumption that the Company will continue as a going concern in the foreseeable future, with its scope of business materially unchanged. During the audit, no events or circumstances suggesting otherwise were revealed.

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, other

than described in the financial statements, 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 opening balances were determined on the basis of the financial statements for the period January 1st-December 31st 2010, which were audited by BDO Sp. z o.o. and on which an unqualified opinion was issued.

The Company's financial statements for the period January 1st-December 31st 2010 were approved by virtue of Resolution No. 4 of the Annual General Meeting, dated June 29th 2011.

By virtue of Resolution No. 6 of the Annual General Meeting, the Company's net profit for the period January 1st-December 31st 2011 amounting to PLN 15,431 thousand, was allocated in full to payment of dividend.

The financial statements for 2010 were filed with the National Court Register on July 14th 2011.

The financial statements for 2010 were filed for publication on July 14th 2011.

## 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 for previous years.

### 1. Key balance-sheet items (PLN '000)

	<u>Dec 31 2011</u>	% of balance- sheet total	<u>Dec 31 2010</u>	% of balance- sheet total	<u>Dec 31 2009</u>	% of balance- sheet total
<b>ASSETS</b>						
Cash and other financial assets	90,339	14.9	93,462	23.4	44,624	11.6
Current receivables	500,708	82.5	281,748	70.7	323,430	84.4
Financial instruments held for trading	1,522	0.3	8,853	2.2	4,345	1.1
Current prepayments and accrued income	441	0.1	388	0.1	333	0.1
Financial instruments available for sale	7,007	1.2	6,450	1.6	6,388	1.7
Non-current receivables	372	0.1	493	0.1	100	0.0
Non-current loans advanced	2,433	0.4	2,865	0.7	11	0.0
Intangible assets	1,946	0.3	1,842	0.5	1,480	0.4
Property, plant and equipment	1,348	0.2	1,301	0.3	1,319	0.3
Non-current prepayments and accrued income	1,169	0.2	1,252	0.3	1,258	0.3
<b>TOTAL ASSETS</b>	<b>607,285</b>	<b>100.0</b>	<b>398,654</b>	<b>100.0</b>	<b>383,288</b>	<b>100.0</b>
<b>EQUITY AND LIABILITIES</b>						
Current liabilities	535,269	88.1	328,184	82.3	328,207	85.6
Provisions for liabilities	6,715	1.1	6,388	1.6	6,676	1.7
Equity	65,301	10.8	64,082	16.1	48,405	12.6
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>607,285</b>	<b>100.0</b>	<b>398,654</b>	<b>100.0</b>	<b>383,288</b>	<b>100.0</b>

## 2. Key items of the income statement (PLN'000)

	Year ended Dec 31 2011	% of revenue	Year ended Dec 31 2010	% of revenue	Year ended Dec 31 2009	% of revenue
Revenue from brokerage activities	72,767	100.0	69,378	100.0	55,320	100.0
Costs of brokerage activities	51,164	70.3	44,546	64.2	37,308	67.4
<b>Profit (loss) on brokerage activities</b>	<b>21,603</b>	<b>29.7</b>	<b>24,832</b>	<b>35.8</b>	<b>18,012</b>	<b>32.6</b>
Income from financial instruments held for trading	2,495	3.4	2,069	3.0	1,832	3.3
Costs related to financial instruments held for trading	5,248	7.2	4,176	6.0	2,713	4.9
<b>Gain (loss) on transactions in financial instruments held for trading</b>	<b>(2,753)</b>	<b>(3.8)</b>	<b>(2,107)</b>	<b>(3.0)</b>	<b>(881)</b>	<b>(1.6)</b>
Income from financial instruments available for sale	0.0	0.0	0.0	0.0	23.0	0.0
Costs related to financial instruments available for sale	0.0	0.0	0.0	0.0	0.0	0.0
<b>Gain (loss) on transactions in financial instruments available for sale</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>23.0</b>	<b>0.0</b>
Other operating income	1,188	1.6	455	0.7	99	0.2
Other operating expenses	1,544	2.1	814	1.2	294	0.5
Difference between provisions and impairment losses on receivables	121.0	0.2	(2.0)	(0.0)	(929.0)	(1.7)
<b>Operating profit (loss)</b>	<b>18,615</b>	<b>25.6</b>	<b>22,364</b>	<b>32.2</b>	<b>16,030</b>	<b>29.0</b>
Finance income	4,410	6.1	1,911	2.8	1,919	3.5
Finance expenses	3,564	4.9	4,829	7.0	1,952	3.5
<b>Profit (loss) before extraordinary items</b>	<b>19,461</b>	<b>26.7</b>	<b>19,446</b>	<b>28.0</b>	<b>15,997</b>	<b>28.9</b>
<b>Pre-tax profit (loss)</b>	<b>19,461</b>	<b>26.7</b>	<b>19,446</b>	<b>28.0</b>	<b>15,997</b>	<b>28.9</b>
Corporate income tax	3,876	5.3	4,015	5.8	3,307	6.0
<b>Net profit (loss)</b>	<b>15,585</b>	<b>21.4</b>	<b>15,431</b>	<b>22.2</b>	<b>12,690</b>	<b>22.9</b>

### 3. Key financial ratios

	As at <u>Dec 31 2011</u>	As at <u>Dec 31 2010</u>	As at <u>Dec 31 2009</u>
<b>Current ratio</b>			
<u>Total current assets*</u>	1.1	1.2	1.2
Current liabilities			
<b>Net margin</b>			
<u>Net profit (loss)</u>	21.4%	22.2%	22.9%
Revenue from brokerage activities			
<b>Return on assets</b>			
<u>Net profit (loss)</u>	2.6%	3.9%	3.3%
Total assets			
<b>Return on equity</b>			
<u>Net profit (loss)</u>	23.9%	24.1%	26.2%
Equity			
<b>Book value per share</b>			
<u>Equity</u>	2.21	2.18	1.67
Number of shares			
<b>Earnings per share</b>			
<u>Net profit (loss)</u>	0.53	0.53	0.44
Number of shares			

\* Current assets included: cash and cash equivalents, current receivables, financial instruments held for trading, current prepayments and accrued income, and financial instruments available for sale

## 4. Comments

Current receivables (accounting for 82.5% of the balance-sheet total) and cash and cash equivalents (accounting for 14.9% of the balance-sheet total) represented the largest proportion of assets. Current liabilities (88.1% of the balance-sheet total) and equity (10.8% of the balance-sheet total) represented the largest proportion of equity and liabilities.

The balance-sheet total rose by 52.3% compared with the previous year.

In the period under analysis, the Company generated net profit of PLN 15,585 thousand (2010: PLN 15,431 thousand), with profit on brokerage activities of PLN 21,603 thousand (2010: PLN 24,832 thousand). Revenue from brokerage activities advanced by 4.9% year on year, while costs related to brokerage activities increased by 14.9% over the same period.

Current ratio slightly dropped relative to the previous year, to 1.1, within a range considered sound.

The profitability ratios were as follows: net margin: 21.4% (2010: 22.2%), return on assets: 2.6% (2010: 3.9%) and return on equity: 23.9% (2010: 24.1).

In the period covered by the audit, the higher equity yielded a higher book value per share. In 2011, the book value per share was 2.21 vs. 2.18 in 2010.

Compared with 2010, earnings per share remained unchanged at 0.53.

The results posted by the Company and its overall financial standing indicate no threat to the Company's continuing as a going concern within the meaning of the Accountancy Act.

### **III. DETAILED INFORMATION**

#### **1. Assessment of the accounting and internal audit system**

##### **1.1 Accounting system**

The Company maintains documentation approved by the Company's Management Board, which describes the accounting policies adopted by the Company.

The methods used in valuation of assets, equity and liabilities disclosed in the balance sheet as well as the methods used to compute the financial result are applied consistently and in keeping with the applicable regulations. During the period under analysis, no changes occurred with respect to the policies for valuation of assets, equity and liabilities, revenues and costs.

Accounting records are maintained on an ongoing basis in a reliable, error-free and verifiable manner, on the basis of source documents.

During the audit, no irregularities were revealed in the accounting books which might have a material effect on the audited financial statements. The foregoing refers to the accounting policies documentation, the reliability, completeness and transparency of records documenting business transactions, proper classification of business transactions for the purpose of their disclosure in the accounting books, correctness of the opening of the accounting books, completeness and correctness of entries posted therein, as well as matching of the entries with source documents and financial statements.

The adopted procedures provide for the security of data and electronic data processing system, the latter being technically viable and interconnected with the Company's chart of accounts to ensure verifiability of data contained in the accounting books.

The Company complies with the requirements stipulated by the Polish Accountancy Act with respect to documentation and electronic data archiving.

##### **1.2 Internal audit**

The Company's Management Board is responsible for the development and operation of an internal audit system, as well as for prevention and detection of any irregularities.

When planning and performing the audit of the Company's financial statements for the period ended December 31st 2011, we took account of the internal audit system procedures in order to determine our own procedures required for issuing a reliable opinion on the audited financial statements.

The organisation of the audit system enables:

- identification and correct recording of business transactions,
- detailed description of business transactions allowing for proper classification in the process of preparing the financial statements,

- entering business transaction into the accounting books in the relevant reporting period,
- appropriate presentation of business transactions in the financial statements.

Our review of the internal audit system might not have revealed all the material weaknesses of the system.

No significant defects of the internal audit system were revealed during the audit.

## **2. Introduction and notes to the financial statements**

The Company prepared supplementary information, comprising the introduction and notes to the financial statements, in compliance with the provisions of the Polish Accountancy Act and the secondary legislation thereto, as well as the provisions of the Regulation of the Finance Minister on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated February 19th 2009, related to the scope of disclosures made.

Figures contained in the introduction and notes are sourced from the accounting records and correspond to the data disclosed in the financial statements.

## **3. 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 gives an accurate and fair view of the changes in the Company's equity.

## **4. Statement of cash flows**

The statement of cash flows was prepared by the Company using an indirect method, in compliance with the requirements of Art. 48b of the Accountancy Act, and is correctly related to the relevant items of the balance sheet, income statement and accounting records.

## 5. Directors' Report on the Company's operations

Pursuant to Art. 49 of the Accountancy Act, and the Regulation of the Polish Finance Minister on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated February 19th 2009 (Dz.U. of 2009. No. 33, item 259, as amended), the Management Board prepared the Directors' Report on the Company's operations.

The information contained in the Directors' Report is consistent with the data presented in the audited financial statements.

## 6. Representation by the Company's management

The management of the Company submitted a written representation to the effect that the data contained in the accounting records was disclosed fully and completely, that all contingent liabilities were disclosed and that no material events occurred after the end of the reporting period other than those discussed in the financial statements.

Warsaw, March 20th 2012

**BDO Sp. z o.o.**  
**ul. Postępu 12**  
**02-676 Warsaw, Poland**  
**Reg. No. 3355**

**Auditor performing the audit:**

**Katarzyna Iwuć, PHD**  
Qualified Auditor  
Reg. No. 11771

**Person acting on behalf of BDO Sp. z o.o.:**

**André Helin, PhD**  
President of the Management Board  
Qualified Auditor, Reg. No. 90004