

Financial Statements

CEE ACTIVE ASSET MANAGEMENT LTD.

31 December 2010

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Annual Activity Report

CEE Active Asset Management Ltd. (CEEAAM) was established on 30.12.2009 with the aim of providing wealth management services to institutional, retail and corporate clients based in the Central-Eastern European region. Licensed operation started on 13.09.2010.

Shareholding structure and management

As of the year end there were changes in the shareholding structure. Mr. Zsolt Székelyhidi has sold 50% of the company's shares to Mr. Andor Katzer. The Management of the company was carried by the Management Board. The members of the Board were: Mr. Zsolt Székelyhidi Chairman, Mr. Andor Katzer Managing Director and Ms. Emilia Garas Director. Members of the Supervisory Committee include Dr. László Földvári, Mr. Gábor Nagy and Mr. Norbert Narozsny.

2010 Results

The management established the organization along with the suitable technical infrastructure and human capital. The company implemented IT and communication equipment of latest available technology in order to assure a safe and reliable business environment. The company got the license from the Hungarian Financial Supervisory Authority in July and started operation in September. The company opened a custody subaccount at Euroclear. First client accounts were opened in September, portfolios under management increased steadily and rapidly by the end of the year. Business activity in 2010 resulted a *net profit of 2 912 000 HUF* for the owners. *Total assets increased almost tenfold to 575 152 000 HUF.*

2011 Targets

In 2011 the company is planning to extend its product pattern, offering access to far east cash equities and European warrants to be able to diversify and to add significant commodities exposure to the portfolios of its investors. To reach its targets in 2011 the company is planning to increase its sales force in the fourth quarter.

Budapest, 24.05.2011.



Chairman of the Board

Zsolt Székelyhidi



Member of the Board

Andor Katzer

Members of the Board of Directors

The Board of Directors of CEE Active Asset Management Ltd. consists of three representatives elected by the General Meeting. The members of the Board of Directors were last elected at the General Meeting of 01 April 2010 for undetermined period of time.

Mr. Zsolt Székelyhidi (Chairman)

Appointed: 16 December 2009

Mr Székelyhidi graduated from the Budapest Business School and also received a Bachelor of Business Studies degree of the University of Lincolnshire and Humberside. In 2002 he obtained the MSc degree of University of Pécs. Mr Székelyhidi started his career in 1999 at Central European International bank where he worked as an investment advisor responsible for domestic and foreign bond, equity and FX futures transactions of the clients of the bank. In 2007 he became member of the ACI Financial Markets Association. Mr Székelyhidi speaks English and German besides Hungarian. In 2009 he founded CEE Active Asset Management holding presently 50% of the shares of the company and representing it as a managing director.

Mr. Andor Katzer

Appointed: 1 April 2010

Mr Katzer studied at the Budapest School of Economics and after successfully graduating he also earned a BA degree in Business Studies at the University of Lincolnshire and Humberside. In 2002 besides obtaining the MSc degree of University of Pécs he successfully finished the course of ELTE Institute of Post-graduate Legal Studies and received a Diploma in Legal Studies. From 1999 until 2009 Mr Katzer was working as an investment advisor at Central European International Bank (CIB) specialised in trading local and foreign assets on behalf clients of the bank. In 2007 he became member of the ACI Financial Markets Association. Two years later Mr Katzer was appointed Head of Treasury Sales at CIB where he managed a team responsible for the bank's clients' fixed income and foreign exchange transactions. Mr Katzer has a good command of English, German, Italian and French languages. In 2010 he became co-owner and managing director of CEEAAM Ltd holding 50% of the company's shares presently.

Ms. Emilia Garas

Appointed: 01 March 2011

Ms Garas graduated at the University of Economics in Budapest. Before joining CEEAAM Ltd. Ms Garas filled different senior back office and settlement department positions at Hanwha Bank, OTP Garancia Insurance Ltd.

Members of the Supervisory Board

The Supervisory Board of CEE Active Asset Management Ltd. consists of three representatives elected by the General Meeting. The members of the Supervisory Board were last elected at the General Meeting of 01 April 2010 for undetermined period of time.

Mr. Gábor Nagy (Chairman)

Appointed: 01 April 2010

Mr Nagy is an economist who finished his studies at the Budapest University of Economics before graduating from the Budapest University of Technology and Economics (BME). Mr Nagy is co-owner and member of the management of Ramasoft Ltd, a company that is specialised in developing VAR based risk management software used by local banks and financial companies holding financial assets. Mr Nagy was previously member of the Board of Directors of CEEAAM Ltd.

Mr. Norbert Narozsny

Appointed: 16 December 2009

After graduating from the Budapest Business School Mr Narozsny filled various management positions in the real estate industry working as an economist. In 2006 Mr Narozsny cofounded Nagro Investment Ltd. an enterprise that offers investment advice to real estate development companies. Mr Narozsny holds the position of CEO at Nagro Investment Ltd.

Dr. László Földvári

Appointed: 16 December 2009

Dr. Földvári, founder and head of the Földvári Law Firm, graduated "summa cum laude" in the Faculty of State and Legal Sciences of Eötvös Loránd University in 1994. After working as a trainee lawyer, he passed the bar exam, and started his practice as a private attorney-at-law registered at the Budapest Bar Association. In addition to the degree in law, he obtained a degree as an economist at the University Of Economic Sciences Of Budapest. He also graduated as a Specialist of European Law. Földvári Law Firm focuses on real property law, corporate law and the law of contracts. The company has also has extensive experiences in the field of Internet law, labour law and intellectual property law.

BALANCE SHEET	NOTES	2009	2010
(AS AT 31.DEC.2010, IN THOUSAND HUF)			
<i>I. Intangible Assets</i>		0	350
4. Trade-marks, patents and similar assets		0	350
<i>II. Property and equipment</i>		-	-
<i>III. Financial investments</i>		-	-
A. Fixed Assets		0	350
<i>I. Inventories</i>		-	-
<i>II. Liabilities</i>		0	4 252
5. other receivables		0	4 252
<i>III. Securities</i>		59 492	0
4. Other Securities		59 492	0
<i>IV. Cash and Cash equivalents</i>		490	570 479
2. Bank deposits		490	570 479
B. Current assets		59 982	574 731
C. Accrued and deferred assets		0	71
TOTAL ASSETS		59 982	575 152
<i>I. Share capital</i>		60 000	60 000
<i>II. Share capital unpaid</i>		-	-
<i>III. Capital reserve</i>		-	-
<i>IV. Retained earnings</i>		-	-18
<i>V. Tied-up reserve</i>		-	-
<i>VI. Revaluation reserve</i>		-	-
<i>VII. General reserve</i>		-	-
<i>VIII. Profit or loss for the year</i>		-18	2 912
D. Shareholders' equity		59 982	62 894
E. Provisions		0	0
<i>I. Subordinated liabilities</i>		-	-
<i>II. Long-term liabilities</i>		-	-
<i>III. Current liabilities</i>		0	511 618
4. Accounts payable		0	1 674
5. Liabilities to customers		0	500 417
12. Other short term liabilities		0	9 527
F. Liabilities		0	511 618
G. Accrued and deferred liabilities		0	640
2. deferred expenses		0	640
TOTAL LIABILITIES		59 982	575 152

STATEMENT OF OPERATIONS (AS AT 31.DEC.2010, IN THOUSAND HUF)	NOTES	2009	2010
<i>Comission</i>		0	19 371
<i>Gains on securities traded on prop. account</i>		-	-
<i>Corporate finance activities</i>		-	-
<i>Custodianship, safe-keeping and portfolio management activities</i>		0	14 028
<i>Other income</i>		0	870
1. Revenue		-	34 269
<i>Comission expenses</i>		0	-640
<i>Losses on securities traded on prop. account</i>		-	-
<i>Expenses of corporate finance activities</i>		-	-
<i>Expenses of custodianship, safe-keeping and portfolio management activities</i>		-	-
<i>Other expenses</i>		-	-
2. Expenses		0	-640
<i>Income from investment service activity</i>		0	34 629
<i>Expenses on investment service activity</i>		0	-640
I. Profit or loss of investment service activity		0	33 629
II. Other income		0	25
III. Profit or loss of non investment service activity		-	-
IV. Own performance capitalised		-	-
V. Material cost		18	25 519
VI. Staff costs		0	7 454
VII. Depreciation		0	25
VIII. Other operating charges		0	720
IX. Expenses of non investment service activity		-	-
A. Income from operations		-18	-64
X. Non distributing financial activity income		0	3 955
XI. Non distributing financial activity expenses		0	489
B. Profit or loss from financial transations		0	3 466
C. Profit or loss of ordinary activities (A+B)		-18	3 402
XII. Extraordinary income		-	-
XIII. Extraordinary expenses		-	-
D. Extraordinary profit or loss		-	-
E. Profit before income tax (C+D)		-18	3 402
XIV. Income tax payable		0	-490
F. Profit after taxes		-18	2 912
XV. Retained earnings and reserves		-	-
G. PROFIT OR LOSS FOR THE YEAR		-18	2 912

CASH-FLOW STATEMENT	NOTES	2009	2010
(FOR THE YEAR ENDED 31.DEC.2010, IN THOUSAND HUF)			
<i>Profit before income tax</i>		-18	3 402
<i>Amortization</i>		0	25
<i>Accounted amortization and write-back</i>		-	-
<i>Loss on credit in foreign currency</i>		-	-
<i>Difference between provisions made for liabilities and actual use</i>		-	-
<i>Gains and losses on sale of invented assets</i>		-	-
<i>Change in account payable</i>		0	1 674
<i>Change in other short term liabilities</i>		0	509 944
<i>Change in passive provisions made</i>		0	640
<i>Change in accounts receivable</i>		0	0
<i>Net change in current assets</i>		-59 492	55 240
<i>Change in active provisions made</i>		0	-71
<i>Tax paid</i>		0	-490
<i>Dividends paid</i>		-	-
I. Net Cash flow from operating activities		-59 510	570 364
<i>Purchase of financial investments</i>		-	-375
<i>Proceeds from sale of financial investments</i>		-	-
<i>Dividends received</i>		-	-
II. Net Cash flow from investment activities		0	-375
<i>Proceeds from issuance of stocks</i>		60 000	0
<i>Proceeds from issuance of financial investments</i>		-	-
<i>Credits and loans received</i>		-	-
<i>Repayment, elimination of long-term loans, bank deposits</i>		-	-
<i>Liquid assets definitely</i>		-	-
<i>Retirement of stocks, withdrawal of capital</i>		-	-
<i>Repayment of bonds and securities representing credit</i>		-	-
<i>Repayment of credits and loans</i>		-	-
<i>Long term loans and bank deposits</i>		-	-
<i>Liquid assets transferred definitely</i>		-	-
<i>Changes in liabilities to founders and long-term liabilities</i>		-	-
III. Net Cash flow from financing activities		60 000	0
<i>Cash and Cash equivalents as at 1.JAN</i>		0	490
<i>Cash and Cash equivalents as at 31.DEC</i>		490	570 479
IV. Net increase/decrease in cash		490	569 989

Notes to the financial reports

Company data

Name of the company:	CEE Active Asset Management Ltd.
Address:	5. Rétköz str. Budapest H-1118 Hungary
Registered office:	5. Rétköz str. Budapest H-1118 Hungary
Date of founding:	16.12.2009 (registered: 30.12.2009)
Court registration number:	01-10-046560
Tax Identification number:	11714910-1-43
HFSA license number:	EN-III/63/2010
Main bank account number:	116000006-00000000-39310653

General information

Ownership structure

Company founders / owners / changes in share capital

Owners:	Shares held:
Andor Katzer	3.000 pcs (50%)
Zsolt Székelyhidi	3.000 pcs (50%)

Accounting policy

The company maintains its accounting records and prepares its statutory accounts in accordance with the commercial, banking and fiscal regulations prevailing in Hungary. The company's functional currency is the Hungarian Forint (HUF).

Form of report:	Annual report
Form of Balance Sheet	„A” type Balance Sheet
Form of Profit or Loss account	„A” type – with expenditure (total cost) method
Date of Balance Sheet	31. December
Date of preparation of Balance Sheet	30. May (following year)

Significant accounting policies

The company has prepared its accounting policies and accounting system in line with current regulations in order to show real picture on its profitability capabilities, capital, current and future financial status published in the annual report.

The company uses double book keeping system, preparing balance sheet and profit and loss account as well.

Main evaluation principles

- Invested financial assets are registered at historical value in the books
- Liabilities are registered at historical value in the books
- Depreciation is written down on bad debts by the extent of expected loss
- Securities bought for sale are registered at historical value in the books
- Securities bought for sale are valued by FIFO method
- Liabilities are performed on book value in the balance sheet

Financial condition

Assets of the company

Description	2009		2010	
	Amount thousand HUF	Share %	Amount thousand HUF	Share %
Fixed assets	0	-	350	0.06
Inventories	0	-	0	-
Liabilities	0	-	4 252	0.74
Securities	59 492	99.18	0	-
Liquid assets	490	0.82	570 479	99.19
Accrued incomes and deferred charges	0	-	0	-
TOTAL ASSETS	59 982	100	575 152	100

Liabilities of the company

Description	2008		2009	
	Amount thousand HUF	Share %	Amount thousand HUF	Share %
Capital and reserves	59 982	100	63 384	11.02
Provisions	0	-	0	-
Long term liabilities	0	-	0	-
Short term liabilities	0	-	511 128	88.87
Accrued incomes and prepaid charges	0	-	640	0.11
TOTAL ASSETS	59 982	100	575 152	100

The capital was increased by 2,912,000 HUF which equals to the retained earnings of the company for 2010.

The annual report was prepared by:	Mátyás Sólyom-Fekete / registered accountant
Registration number:	178931
The annual report was audited by:	Első Magyar Audit Holding Könyvvizsgáló és Adótanácsadó Kft. (Address: 2143 Kistarcsa, Deák Ferenc u. 10. / HSFA Registration Nr: PSZAF: E-I-149/2006.)
	Dr. Sarolta Fainné Kaszab / registered auditor
Registration number:	002570

Budapest, 24.05.2011.



Zsolt Székelyhidi / Andor Katzer

Első Magyar Audit Holding Kft
2143. Kistarcsa, Deák Ferenc u. 10.sz.

INDEPENDENT AUDITOR'S REPORT
(To: the shareholder's of CEE Active Asset Management zRt)

We have audited the accompanying financial statements of **CEE Active Asset Management zRt** (1118. Budapest, Rétköz u. 5.sz.), which comprise the balance sheet as at December 31, 2010 – both the total assets and liabilities equals to : **575,152 tsd HUF** –, the income statement with a net income after taxes: **2,912 tsd HUF (profit)**, approved dividend of: **0 tsd HUF**, balance sheet result: **2,912 tsd HUF (profit)**, owned capital: **62,894 tsd HUF** – the statement of changes in equity, cash flow statement as at the end of the year, a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of **CEE Active Asset Management zRt** as of December 31, 2010, and of its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards.
The business report corresponds to the disclosures in the financial statements.

24, May, 2011, Budapest



Dr Bernula Pál
Partner

Chamber membership No.: 002184
Első Magyar Audit Holding Kft

ELSŐ MAGYAR AUDIT HOLDING
NYVIZSGÁLÓ ÉS ADÓTANÁCSADÓ KFT



Dr Fainné Kaszab Sarolta
registered auditor
Registration No.: 002570