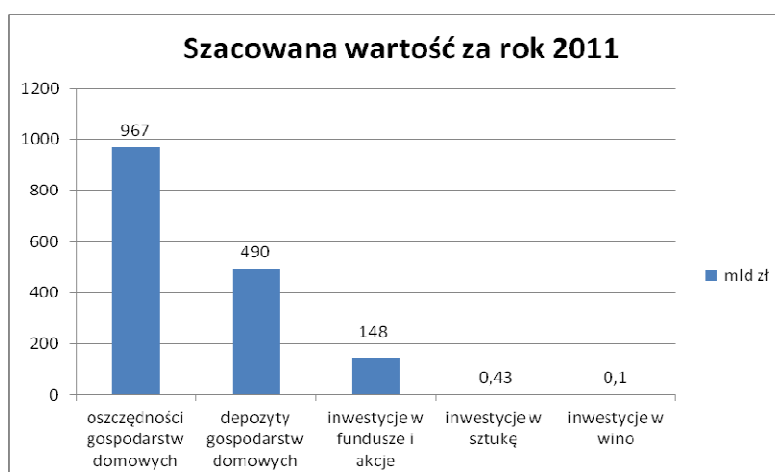


## Alternative investments - the art of making money

**Warsaw, 21.03.2012** - The Polish art market is only forming its face and it is facing dynamic growth in the coming years - worldwide art and antique sales would grow even 50% annually in some years. For investors this means an opportunity for handsome earnings and satisfaction at being exposed to beauty.

In the course of the last eight years the value of Maria Jarema's painting „Postacie” (Figures) grew 6000% (from PLN 4500 to PLN 270 000) and this is no exception, Jan Lebenstein's "Figura osiowa nr 77" (Axial figure No. 77) grew eight times in value over seven years. Painting by such artists as Kazimierz Mikulski, Adam Marczyński or Wojciech Fangor would gain over 40% per year in value. Investing in art is definitely a good way to multiply assets.

Meanwhile Poles seldom decide to go for alternative investments. Last year the sum of household savings reached PLN 967 billion, while the art investments market was only PLN 430 million.



### The world appreciates beautiful things

The global art market in 2010 year stood at USD 9.4 billion. Investors worldwide pay huge sums of money for works of art of their choice. This type of investment involves prestige and goes beyond a purely financial investment - it opens the door to an exclusive circle of art connoisseurs and sponsors. Passion investments - which combine investing with hobbies, account for approx. 15% of the portfolio of affluent customers worldwide. Alternative investments - in art, in the work of a specific artist or in wines not only diversify portfolios. They provide their owners with the opportunity to experience beautiful objects and to pass on to their descendants something more than just money.

### Polish millionaires prefer shares to paintings

According to DESA Unicum experts the Polish art market is worth PLN 430 million. To understand the size suffice it to say that assets of merely 2000 customers of Bank Millennium Private Banking are worth 12 times the value of the entire art market in Poland. From the investors' point of view a poorly developed market can mean, that in the long run prices of the items will grow. Today most popular are works of renowned artists - record-high amounts were paid for

the best known painters: Wyspiański, Kantor or Chelmoński, whose "Próba czwórki" (Trial of a Four-in-hand) was auctioned for over PLN 1.5 million. Since 2009 the interest in Young Art has been growing, with investors in recent years being able to have highest gains on contemporary art - 20<sup>th</sup> century classics. For example paintings by Wojciech Fangor bought in the '90s gained over 800% in value. It must be remembered that the art market is not only paintings, but also drawings, graphics, sculpture, jewellery and antiques.

Rodzaj aukcji	Średnia cena za obiekt w 2011 r.	Średnia cena za obiekt w 2010 r.
<b>Aukcje Dzieł Sztuki</b> (sztuka dawna)	27 846,78 zł	16 552,99 zł
<b>Aukcje Sztuki Współczesnej</b> (sztuka po 1945 roku)	16 742,01 zł	12 444,23 zł
<b>Aukcja Biżuterii*</b> (sztuka dawna)	11 592,00 zł	
<b>Aukcje Prac na Papierze</b> (sztuka dawna i współczesna)	4 891,33 zł	4 157,52 zł
<b>Aukcje Młodej Sztuki</b> (sztuka najnowsza)	1 544,54 zł	1 305,33 zł
<b>Aukcje Plakatu*</b> (sztuka dawna i współczesna)	1 146,22 zł	

*\*Aukcje organizowane od 2011 roku*

*Źródło: dane własne DESY Unicum*

### How to gain by making alternative investments?

Assessing the value of a work of art as well as its growth potential often requires the help of an expert. Factors, which cause prices to increase, include market availability of works of art by the author, recognition - often reaching abroad, showcasing in well-known collections as well as opinions of critics. Also media popularity of the artist may be important. The art market is governed by completely different rules than the stock exchange for instance - liquidity of the investment may be limited, hence it should not exceed a few, maybe a little bit over 10% of a portfolio.

*- Paintings continue to be in the focus of investors' interest - in 2011 they accounted for 86.5% of the value of auction sales. Although 65% of the sales value was old art, nevertheless as regards the number of items, which changed hands in 2011, latest and contemporary art dominates. In all segments expectations as regards development of the art market are good - says Juliusz Windorbski, CEO of DESA Unicum auction house.*

Today the art market is growing, with its potential estimated at PLN 2 billion (according to KPMG, Capgemini and Merrill Lynch research). Polish investors can take advantage of this - the likelihood that good decisions taken today will give a yield in the not-distant future is considerable. Interesting works of art with investment value may be bought for as little as a few hundred zloty. For example drawings by Jacek Malczewski are available for just PLN 2,000. Moreover in Poland the interest in private sale, especially among the most affluent persons, is growing - auction houses are contracted to seek works-of-art in private collections, foreign galleries and at auctions worldwide.

### Art banking - the solution for millionaires

Beyond any doubts alternative investments are an interesting proposal for people with extensive assets, valued in millions of zloty. Buying works-of-art may be the way to diversify the portfolio as well as coming from a collector's passion. To feel secure, an investment in art - be it paintings, jewellery or antiques, should not exceed a few per cent of an individual investor's portfolio. *- Art banking as an investment opportunity is relatively new to our market, therefore it is no coincidence we decided now to include it in the Millennium Private banking offer. We want to provide customers with a broad range of investment solutions, at the same time facing up to their growing interest in art. Cooperation with a renowned partner, such as DESA Unicum, allows us to propose to customers the availability of items from all over the world as well as knowledge, which allows the pleasure of buying beautiful items to be coupled with a profitable investment - says Agnieszka Dojlidko, Director of Millennium Private Banking.*

Customers of Millennium Private Banking, who are interested in investing in art, have the availability of professional support from representatives of Poland's oldest auction house. *- We try to take special care of Customers who are*

*interested in this investment option, by inviting them to auctions organised by our partner, dedicated exclusively to our customers, to art previews and meetings with artists behind closed doors. In the nearest future we plan to have a preview of an exhibition, which will provide a review of works by Stasys Eidrigevicius - an internationally acclaimed artist of Lithuanian descent, a painter, author of posters, bookplates, drawings and book illustrations - assures Agnieszka Dojlidko.*

