



GIEŁDA PAPIERÓW
WARTOŚCIOWYCH
W WARSZAWIE



WARSAW
STOCK
EXCHANGE

Gięda Papierów Wartościowych w Warszawie S.A. Group

Report for H1 2014

Warsaw, 24 July 2014

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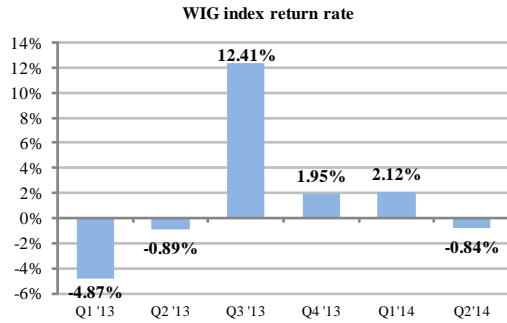
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2014 AND THE AUDITOR'S REVIEW REPORT

CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2014 AND THE AUDITOR'S REVIEW REPORT

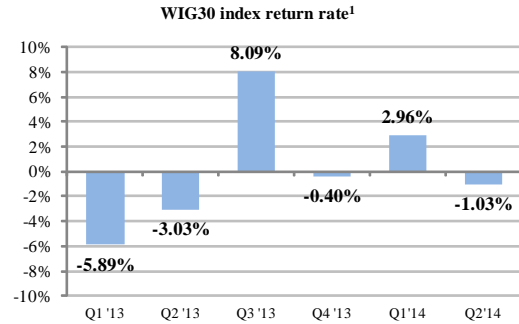
MANAGEMENT BOARD STATEMENTS

1. Selected operating and financial data of the Issuer and the Group

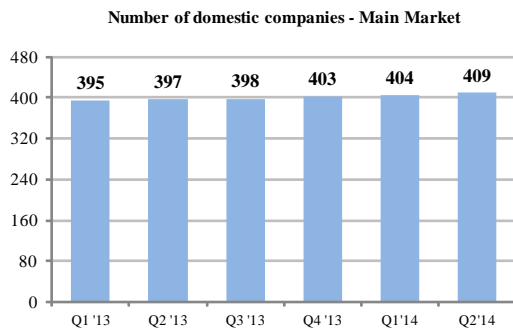
1.1. Main parameters of the markets operated by the Group



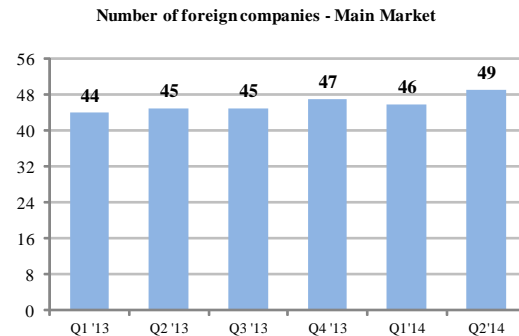
Source: WSE



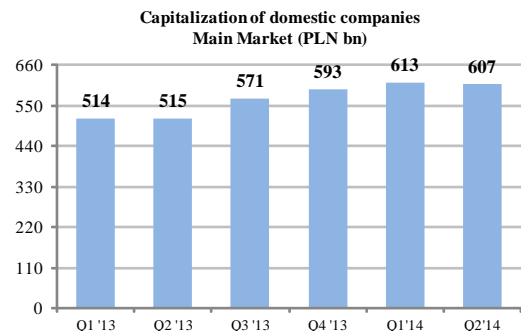
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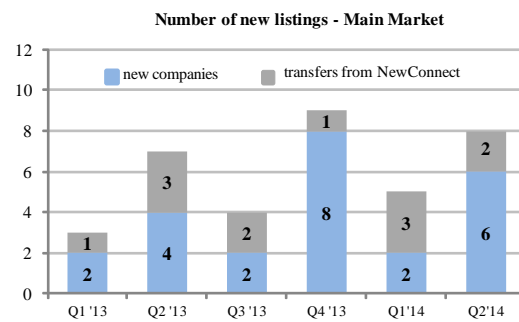
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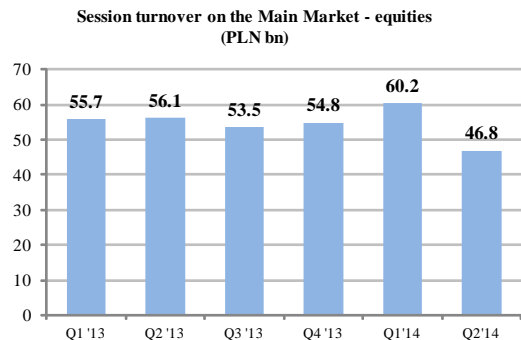
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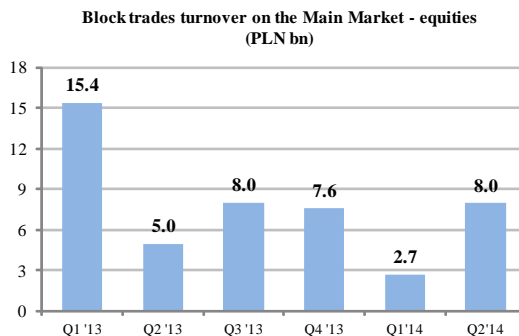
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Source: WSE

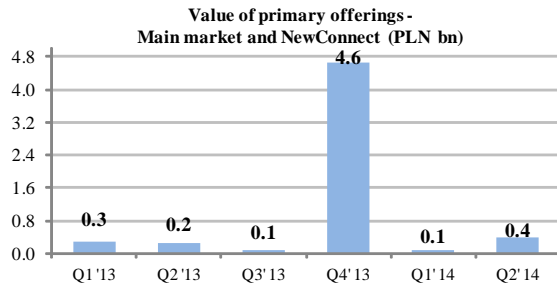


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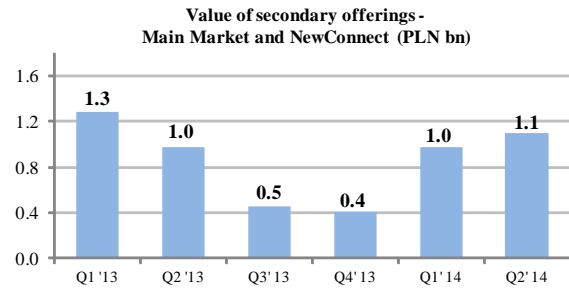


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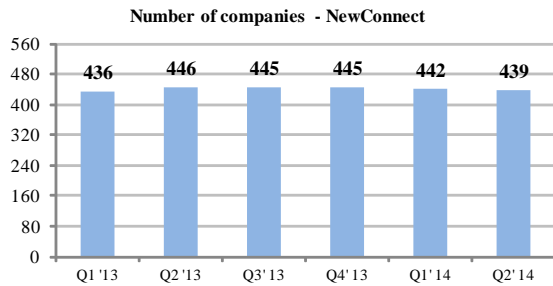
¹ The new index WIG30 is published since 23 September 2013 and has been recalculated back to 31 December 2007



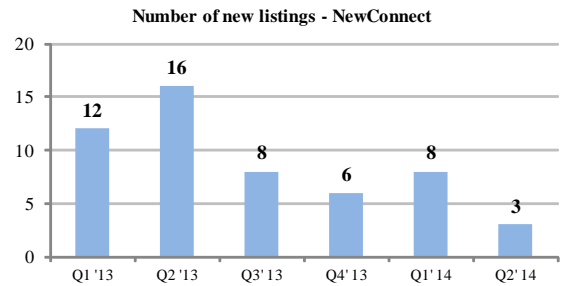
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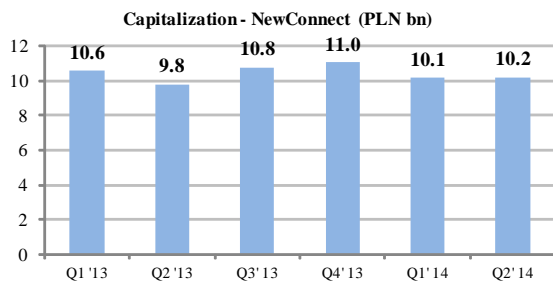
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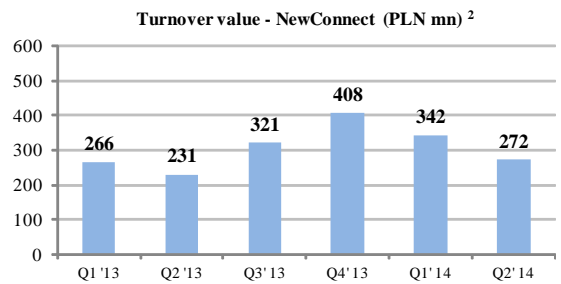
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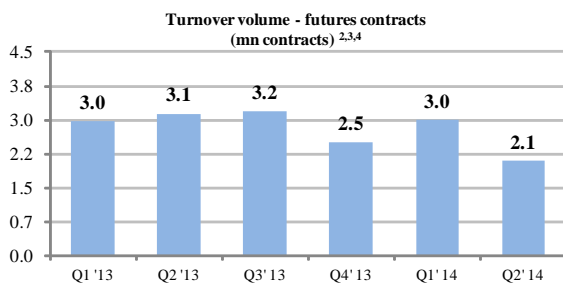
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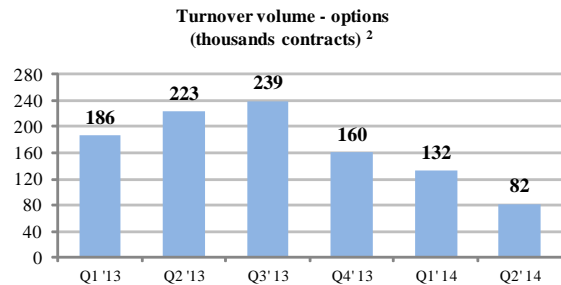
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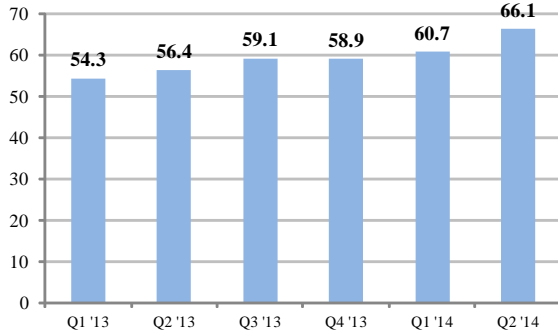
Source: WSE

² Including session and block trades

³ As of 1 May 2012, the volume of trading in currency futures is calculated on the basis of a trading unit of 1,000 (previously: 10,000); since 23 September, 2013 WIG20 futures contracts with a multiplier of PLN 10 and PLN 20 were traded simultaneously on the WSE; since June 23, 2014 WIG20 futures contracts with a multiplier of PLN 20 have been traded on the WSE

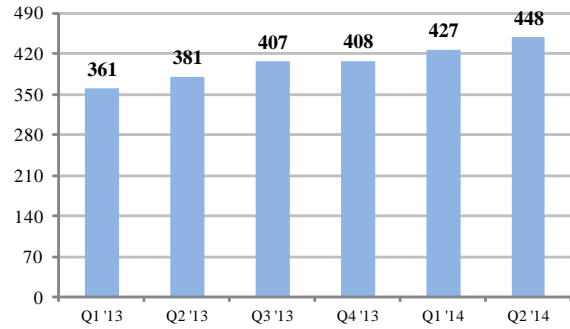
⁴ Contracts on WIBOR reference rates and Treasury bonds were introduced to trading on WSE on 18 October 2013

Value of listed non-treasury bond issues
- Catalyst (PLN bn)



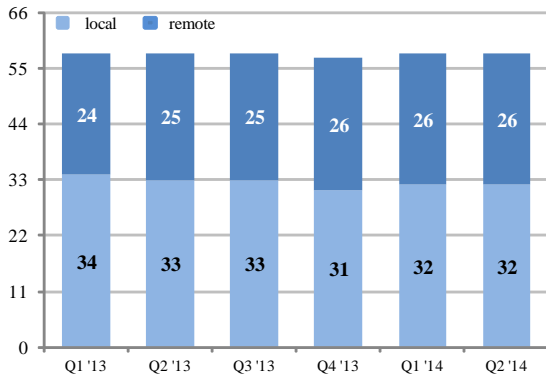
Source: WSE

Number of listed non-treasury bond issues
- Catalyst



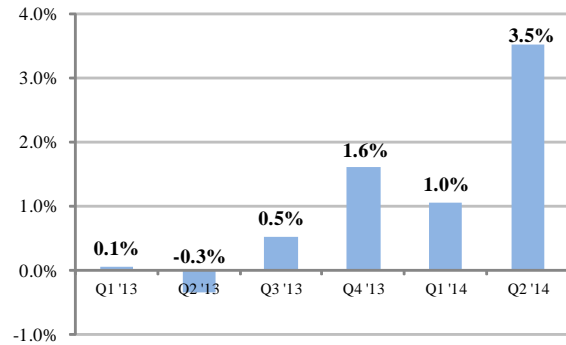
Source: WSE

Number of WSE exchange members



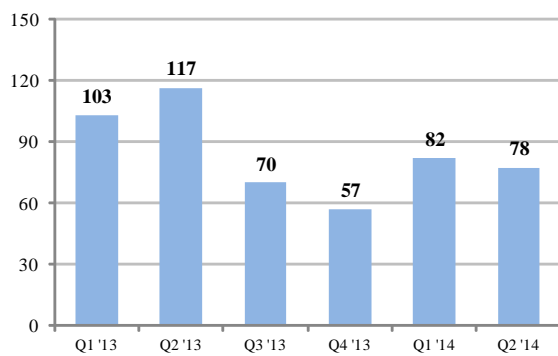
Source: WSE

TBSP.Index return rate⁵



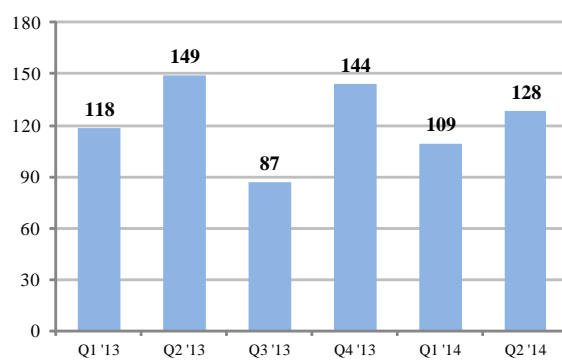
Source: BondSpot

Treasury debt securities turnover
value (cash transactions) - TBSP (PLN bn)



Source: BondSpot

Treasury debt securities turnover value
(repo transactions) - TBSP (PLNbn) ⁶

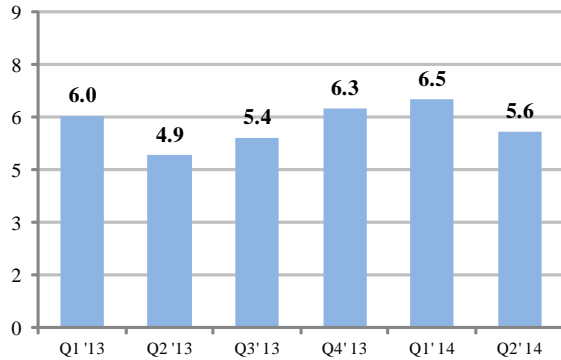


Source: BondSpot

⁵ Total return index of Treasury bonds

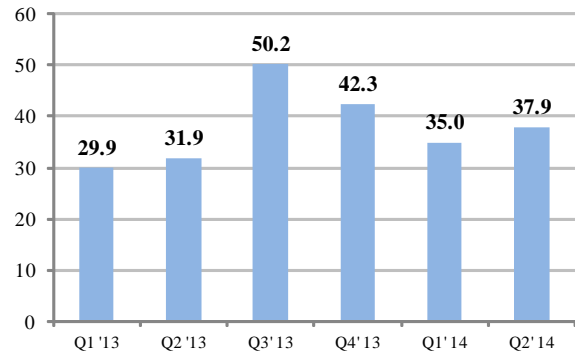
⁶ Sum of opening transaction and closing transaction

Turnover volume - electricity spot market -
PolPX and poee WSE Energy Market (TWh) ⁷



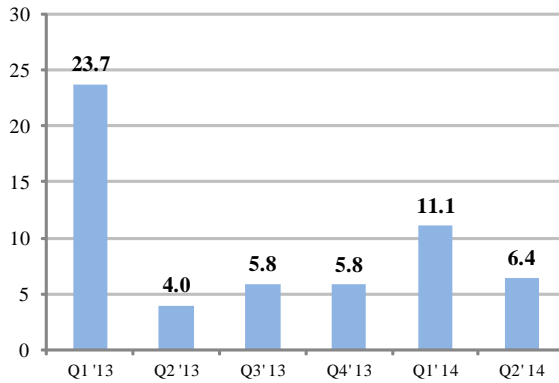
Source: WSE, PolPX

Turnover volume - electricity forward market -
PolPX and poee WSE Energy Market (TWh) ⁷



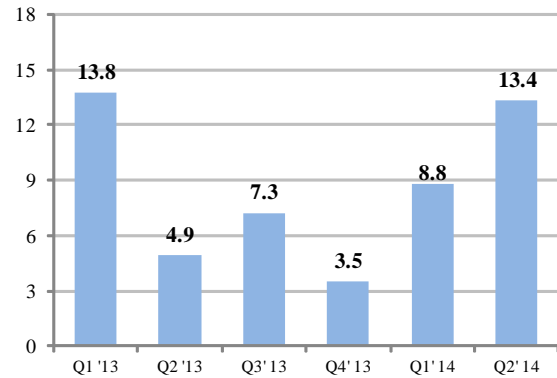
Source: WSE, PolPX

Turnover volume - property rights in certificates
of origin of electricity (TWh)



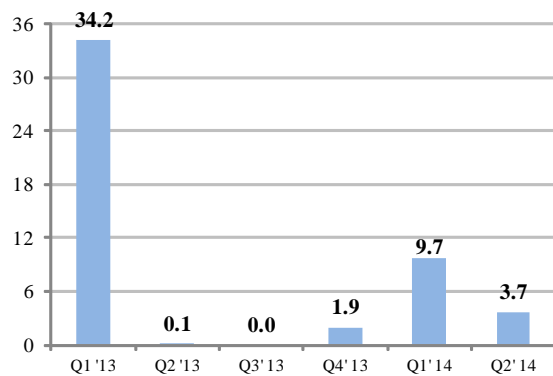
Source: PolPX

Volume of issued property rights in certificates of
origin of electricity - PolPX (TWh)



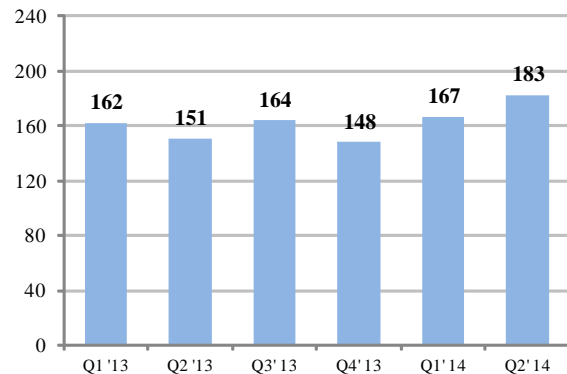
Source: PolPX

Volume of redeemed certificates of origin of
electricity - PolPX (TWh)



Source: PolPX

Volume-weighted average energy price on
a Day Ahead Market (PLN/MWh)⁸



Source: PolPX

⁷ poee WSE Energy Market operated within WSE structure from December 2010 to the end of Q1 2013. There is a concentration of trade in commodities within the PolPX Group from Q2 2013

⁸ Including all transactions concerning hourly and block instruments on a Day Ahead Market, according to the delivery date of energy traded

1.2. Selected financial data of the Issuer and the Group

SELECTED CONSOLIDATED FINANCIAL DATA OF THE GIEŁDA PAPIERÓW WARTOŚCIOWYCH W WARSZAWIE S.A. GROUP

Selected data in the consolidated statement of comprehensive income under IFRS, reviewed

	For the six-month period ended June 30			
	2014	2013	2014	2013
	PLN'000		EUR'000 ^[1]	
Sales revenue	155,762	143,915	37,302	34,443
Financial market	104,187	104,220	24,951	24,943
Commodity market	50,402	38,437	12,070	9,199
Other revenue	1,173	1,258	281	301
Operating expenses	88,346	80,875	21,157	19,356
Other income	698	1,498	167	359
Other expenses	1,953	811	468	194
Operating profit	66,161	63,727	15,844	15,252
Financial income	5,529	7,015	1,324	1,679
Financial expenses	5,105	6,864	1,223	1,643
Share of profit of associates	4,827	7,495	1,156	1,794
Profit before income tax	71,412	71,373	17,102	17,082
Income tax expense	13,391	12,328	3,207	2,951
Profit for the period	58,021	59,045	13,895	14,131
Basic / diluted earnings per share ^[2] (PLN, EUR)	1.38	1.40	0.33	0.34
EBITDA^[3]	85,317	82,821	20,432	19,822

^[1] Based on the six-month average of EUR/PLN exchange rates quoted by the National Bank of Poland (respectively: 1 EUR = 4,1757 PLN in 1H 2014 and 1 EUR = 4,1783 PLN in 1H 2013).

^[2] Calculated based on the net profit attributable to shareholders of the parent entity.

^[3] EBITDA = operating profit + share of profit of associates + depreciation and amortisation.

Selected data in the consolidated statement of financial position under IFRS, reviewed

	As at			
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
	PLN'000		EUR'000 ^[1]	
Non-current assets	587,013	576,421	141,078	138,990
Plant, property and equipment	118,530	124,042	28,487	29,910
Intangible assets	264,294	269,155	63,518	64,900
Investment in associates	188,674	158,540	45,344	38,228
Available-for-sale financial assets	10,706	20,955	2,573	5,053
Other non-current assets	4,809	3,729	1,156	899
Current assets	564,838	482,707	135,749	116,394
Trade and other receivables	41,115	34,792	9,881	8,389
Available-for-sale financial assets	428	118	103	28
Cash and cash equivalents	516,174	436,831	124,054	105,332
Other current assets	7,121	10,966	1,711	2,644
TOTAL ASSETS	1,151,851	1,059,128	276,827	255,384
Equity of the shareholders of the parent entity	695,264	636,985	167,095	153,594
Non-controlling interests	1,016	1,120	244	270
Non-current liabilities	253,239	249,578	60,861	60,180
Current liabilities	202,332	171,445	48,627	41,340
TOTAL EQUITY AND LIABILITIES	1,151,851	1,059,128	276,827	255,384

^[1] Based on the average EUR/PLN exchange rates quoted by the National Bank of Poland as at 30.06.2014 r. (1 EUR = 4,1609 PLN) and 31.12.2013 r. (1 EUR = 4,1472 PLN).

Selected financial ratios of the Group

	For period ended / As at	
	30 June 2014	30 June 2013
EBITDA margin (EBITDA/Sales revenues)	54.8%	57.5%
Operating profit margin (Operating profit/Sales revenues)	42.5%	44.3%
Return on equity (ROE) (Profit for the last 12 months/Average equity at the beginning and end of the last 12 months)	17.6%	18.9%
Debt to equity ratio (Interest-bearing liabilities ^[1] /Equity)	35.1%	42.9%

^[1] total liabilities under debt, e.g., principal and interest

Source: Condensed Consolidated Interim Financial Statements, Company

**SELECTED SEPARATE FINANCIAL DATA
OF GIEŁDA PAPIERÓW WARTOŚCIOWYCH W WARSZAWIE S.A.**

Selected data in the separate statement of comprehensive income under IFRS, reviewed

	For the six-month period ended June 30			
	2014		2013	
	PLN'000		EUR'000 ⁽¹⁾	
Sales revenue	98,895	98,158	23,683	23,492
Financial market	98,159	97,322	23,507	23,292
Commodity market	-	131	-	31
Other revenue	735	705	176	169
Operating expenses	65,266	62,168	15,630	14,879
Other income	56	312	14	75
Other expenses	1,550	664	371	159
Operating profit	32,135	35,638	7,696	8,529
Financial income	18,210	47,421	4,361	11,349
Financial expenses	5,013	6,789	1,200	1,625
Profit before income tax	45,332	76,270	10,856	18,254
Income tax expense	6,211	6,384	1,487	1,528
Profit for the period	39,121	69,886	9,369	16,726
Basic / diluted earnings per share (PLN, EUR)	0.93	1.67	0.22	0.40
EBITDA⁽²⁾	44,253	45,577	10,598	10,908

⁽¹⁾ Based on the six-month average of EUR/PLN exchange rates quoted by the National Bank of Poland (respectively: 1 EUR = 4,1757 PLN in 1H 2014 and 1 EUR = 4,1783 PLN in 1H 2013).

⁽²⁾ EBITDA = operating profit + depreciation and amortisation.

Selected data in the separate statement of financial position under IFRS, reviewed

	As at			
	30 June		31 December	
	2014		2013	
	PLN'000		EUR'000 ⁽¹⁾	
Non-current assets	509,963	496,790	122,561	119,789
Plant, property and equipment	106,174	112,279	25,517	27,073
Intangible assets	90,412	95,439	21,729	23,013
Investment in subsidiaries and associates	299,364	265,107	71,947	63,924
Available-for-sale financial assets	10,706	20,955	2,573	5,053
Other non-current assets	3,307	3,010	795	726
Current assets	270,769	225,645	65,074	54,409
Trade and other receivables	26,587	23,940	6,390	5,773
Available-for-sale financial assets	428	118	103	28
Cash and cash equivalents	236,231	190,925	56,774	46,037
Other current assets	7,523	10,662	1,807	2,571
TOTAL ASSETS	780,732	722,435	187,635	174,198
Equity	495,539	456,483	119,094	110,070
Non-current liabilities	252,800	249,904	60,756	60,259
Current liabilities	32,393	16,048	7,785	3,870
TOTAL EQUITY AND LIABILITIES	780,732	722,435	187,635	174,198

⁽¹⁾ Based on the average EUR/PLN exchange rates quoted by the National Bank of Poland as at 30.06.2014 r. (1 EUR = 4,1609 PLN) and 31.12.2013 r. (1 EUR = 4,1472 PLN).

Selected financial ratios of WSE

	For period ended / As at	
	30 June 2014	30 June 2013
EBITDA margin (<i>EBITDA/Sales revenues</i>)	44.7%	46.4%
Operating profit margin (<i>Operating profit/Sales revenues</i>)	32.5%	36.3%
Return on equity (ROE) (<i>Profit for the last 12 months/Average equity at the beginning and end of the last 12 months</i>)	15.3%	22.4%
Debt to equity ratio (<i>Interest-bearing liabilities⁽¹⁾ /Equity</i>)	49.2%	58.8%

⁽¹⁾ total liabilities under debt, e.g., principal and interest

Source: Condensed Separate Interim Financial Statements, Company

2. Semi-annual report of the Exchange Management Board on the activity of the Group

2.1. Information about the Group

2.1.1. Background information about the Group

The parent entity of the Giełda Papierów Wartościowych w Warszawie S.A. Group (“the Group”) is Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna (“Warsaw Stock Exchange”, “the Exchange”, “WSE”, “the Company” or “the parent entity”) with its registered office in Warsaw, ul. Książęca 4.

Warsaw Stock Exchange is the largest national financial instruments exchange in CEE, one of the European exchanges with the most marked contribution to the growth of commodity markets, and one of the fastest-growing exchanges in Europe.

The WSE Group conducts activity in the following segments:

- **organising trade in financial instruments and conducting activities related to such trade;**
- **organising an alternative trading system;**
- **operating the wholesale Treasury bond market Treasury Bondspot Poland;**
- **operating a commodity exchange;**
- **operating an OTC commodity platform;**
- **operating a register of certificates of origin;**
- **providing the services of trade operator and entity responsible for balancing;**
- **operating a clearing house and settlement institution which performs the functions of an exchange clearing house for transactions in exchange commodities;**
- **conducting activities in capital market education, promotion and information as well as office space lease.**

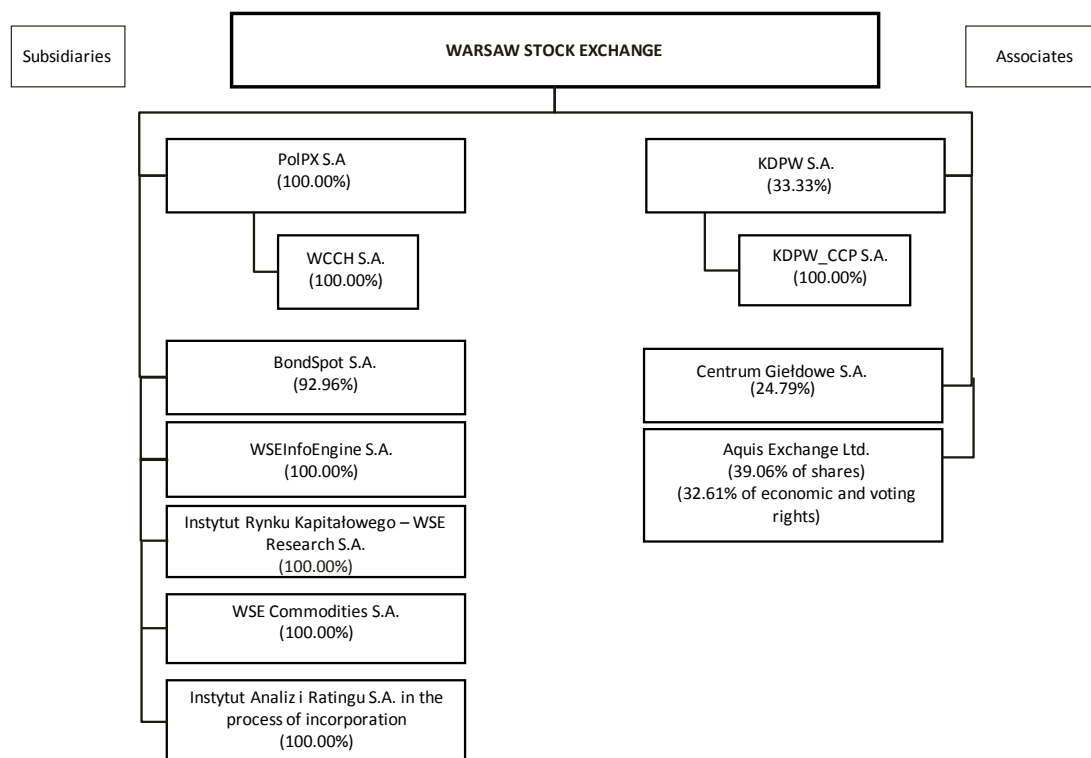
Basic information about the parent entity:

Name and legal status:	Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna
Abbreviated name:	Giełda Papierów Wartościowych w Warszawie S.A.
Registered office and address:	ul. Książęca 4, 00-498 Warsaw, Poland
Telephone number:	+48 (22) 628 32 32
Telefax number:	+48 (22) 628 17 54, +48 (22) 537 77 90
Website:	www.gpw.pl
E-mail:	gpw@gpw.pl
KRS (registry number):	0000082312
REGON (statistical number):	012021984
NIP (tax identification number):	526-02-50-972

2.1.2. Organisation of the Group and the effect of changes in its structure

As at 30 June 2014, Warsaw Stock Exchange (the parent entity) and its subsidiaries comprised the Giełda Papierów Wartościowych w Warszawie S.A. Group. In addition, WSE held shares in three associates.

Warsaw Stock Exchange subsidiaries and associates as at 30 June 2014 and WSE's stake in their share capital and rights attached to shares



Source: Company

The subsidiaries are consolidated using full consolidation method as of the date of taking control while the investment in associates is recognised using equity accounting.

Apart from the above mentioned subsidiaries and associates, as at the date of preparation of this Report, WSE also held 9.99% of shares of INNEX PJSC and 1.3% of shares of S.C. Sibex – Sibiu Stock Exchange S.A.

WSE and Aquis Exchange Limited with its registered office in the UK signed an agreement concerning acquisition of new issue shares in Q3 2013. WSE acquired 153,609 Aquis Exchange Ltd shares for GBP 2.0 million in August 2013. The remaining 230,416 shares were acquired for GBP 3.0 million in February 2014 following approval of UK's Financial Conduct Authority (FCA) for Aquis Exchange to operate as a multilateral trading facility (MTF) and following FCA's approval for WSE to increase its stake in Aquis Exchange capital. The total price of 384,025 shares of Aquis Exchange to WSE was GBP 5.0 million (PLN 25.3 million).

As at the date of preparation of this Report, WSE holds 384,025 shares of Aquis Exchange representing 39.06% of the total number of shares and giving 32.61% of economic and voting rights in Aquis. The acquired stake authorises WSE to appoint two directors to the Aquis Exchange Board of Directors. As a result of WSE taking up the second tranche of shares of Aquis Exchange Limited, the company became WSE's associate. The shares of Aquis Exchange Limited as an associate of the WSE Group are recognised using equity accounting as at 30 June 2014.



As a target, after the completion of the process of raising capital by Aquis Exchange, the 384,025 shares held by WSE should represent 36.23% of the total number of shares and give the Company 30.00% of economic and voting rights in Aquis Exchange.

On 20 June 2014, WSE set up the company Instytut Analiz i Ratingu S.A. (IAiR) and paid for shares in its share capital at PLN 4.1 million. WSE took up 100% of the share capital and votes of the Institute. The company was registered in the National Court Register on 14 July 2014. Given the expected scale and importance of the institution in the national financial system, other financial institutions may invest in its equity in the future. The formation of the Institute aims to fill a gap in the domestic rating offer in the segment of small and medium-sized companies. The Institute will enhance the credibility and transparency of the non-Treasury debt market in Poland.

On 9 January 2014, the share capital of WSEInfoEngine was increased by PLN 0.6 million. On 20 June 2014, the share capital of the company was increased by another PLN 2.3 million. The share capital of the company at 30 June 2014 was PLN 8.3 million.

On 4 June 2014, the share capital of IRK S.A. was increased by PLN 0.8 million. The share capital of the company at 30 June 2014 was PLN 2.4 million.

The company WSE Commodities was transformed from a limited liability company into a joint stock company in January 2014.

On 24 April 2014, the share capital of WSE Commodities S.A. was increased by PLN 0.2 million. On 30 June 2014, the share capital of the company was increased by another PLN 1.0 million. The share capital of the company at 30 June 2014 was PLN 1.3 million.

On 30 June 2014, the Ordinary General Meeting of WSE Commodities S.A. decided to change the name of the company from WSE Commodities S.A. to WSE Services S.A.

Since 2008, the Group has operated a representative office in Kiev (Ukraine), whose operations focus on promoting WSE among Ukrainian investors, issuers and financial intermediaries. The Representative Office has no separate legal personality and does not carry any profit-earning independent business operations. In all its activities, the Representative Office acts on behalf and for WSE to the extent stipulated in the Representative Office's Statutes and powers of attorney granted by the Management Board of WSE, always in compliance with the laws of Ukraine.

WSE reinforced its presence in London in June 2013 by appointing a permanent representative of the Exchange whose mission is to support acquisition on the London market, in particular the acquisition of new investors and Exchange Members.

The Group does not hold any branches or establishments.

2.1.3. Ownership

As at the date of publication of this Report, the share capital of Warsaw Stock Exchange was divided into 41,972,000 shares including 14,807,470 Series A preferred registered shares (one share gives two votes) and 27,164,530 Series B ordinary bearer shares.

As at the date of publication of this Report, according to the Company's best knowledge, the State Treasury holds 14,688,470 Series A preferred registered shares, which represent 35.00% of total shares and give 29,376,940 votes, which represents 51.74% of the total vote. The total number of votes from Series A and B shares is 56,779,470.

According to the Company's best knowledge, as at the date of publication of this Report, no shareholders other than the State Treasury held directly or indirectly at least 5% of the total vote in the parent entity. The ownership structure of material blocks of shares did not change since the publication of the previous periodic report.

The tables below present WSE shares and allotment certificates held by the Company's and the Group's supervising and managing persons.

**WSE shares and allotment certificates held by the Company's and the Group's
managing persons as at the date of publication of this Report**

	<u>Number of shares held</u>	<u>Number of allotment certificates held</u>
Paweł Tamborski	-	-
Dariusz Kułakowski	25	-
Mirosław Szczepański	-	-

**WSE shares and allotment certificates held by the Company's and the Group's
supervising persons as at the date of publication of this Report**

	<u>Number of shares held</u>	<u>Number of allotment certificates held</u>
Wiesław Rozłucki	25	-
Marek Wierzbowski	-	-
Dariusz Kacprzyk	-	-
Jacek Lewandowski	-	-
Piotr Piłat	-	-
Marek Słomski	-	-

Source: Company

2.2. Main risks and threats related to the remaining months of 2014

The operations of the Warsaw Stock Exchange and the Group companies is exposed to external risks related to the market and the legal and regulatory environment, and internal risks related to the operating activities.

The risk factors presented below may impact the operation of WSE in the remaining months of 2014, however the order in which they are presented does not reflect their relative importance for the Group.

2.2.1. Risk factors related to the sector of the Group's business activity

The Group faces competition from other exchanges and alternative trading platforms

The global exchange sector is highly competitive and, in the last few years, there has been increased consolidation and globalisation of exchanges.

Multilateral trading facilities (MTFs) and other forms of exchange and OTC trade could be competitive to the Group's cash and derivative trading operations as their active presence on the Polish market could cause attrition of some part of trading in equities on WSE and increase the pressure on transaction fees charged by WSE.

2.2.2. Risk factors relating to external factors, laws and regulations

Adverse developments affecting the global economy may negatively affect the Group's business, financial condition and its results

The Group's business is highly dependent on the conditions on the global financial markets. Trends in the global economy, especially in Europe and the USA, impact investors' perception of risks and their activity on financial and commodity markets. Furthermore, as global investors think in terms of geographical regions when look for locations for investments, Poland and WSE may be perceived less favourably despite a stronger macroeconomic position compared to other CEE countries.

The WSE Group operates in a highly regulated industry and regulatory changes may have an adverse effect on the Group's business, financial position and results of operations

The Company operates primarily in Poland but in addition to national law it is also governed by EU regulations. The legal system and regulatory environment can be subject to frequent and sometimes significant unanticipated changes while laws and regulations applicable in Poland may be subject to conflicting official interpretations. The capital market and the commodity instruments market are subject to broad governmental regulation and may be subject to increasing regulatory scrutiny.

Regulatory changes may have an adverse effect on the Company and on the current and future users of its services. For instance, regulatory authorities may implement changes which reduce the attractiveness of listing or trading securities on the markets organised and operated by the Exchange or the use of the Exchange's services. In addition, amendments to energy legislation, especially its provisions concerning support for the production of energy from renewable sources and cogeneration, and changes to the obligation to sell a certain proportion of electricity and gas on commodity exchanges may reduce the activity of participants of the Polish Power Exchange. Changes to these regulations may have a material adverse effect on the Company's business, financial position and results of operations.

Changes in the regulations applicable to open-ended pension funds and other developments affecting such funds could reduce the volume of trading activity on WSE

WSE is exposed to risks related to changes in the Polish pension system, especially regulations applicable to open-ended pension funds. Changes in cash flows into and out of pension funds and changes to investment policies of pension funds may reduce the volume of investments in assets traded on the markets organised and operated by the Exchange, especially the Main Market.

In the coming periods, the activity of open-ended pension funds on the markets operated by the WSE Group and, consequently, the activity of other participants in such markets may be limited in particular by the following changes derived from the Act amending certain acts in relation to the determination of the terms of payment of pensions from the resources of open-ended pension funds dated 6 December 2013:

- transfer on 3 February 2014 of more than half of the assets of open-ended pension funds (mainly invested in bills and bonds issued by the State Treasury) to the Social Security Institution (ZUS) and exclusion of Treasury bills and bonds from the list of allowed investments for open-ended pension funds;
- introduction of the mechanism of default payment of all future pension contributions (starting with the contribution for July 2014) to ZUS unless a member of an open-ended pension fund files a declaration with ZUS by the end of July 2014 to the extent that such contributions should be paid to a specific open-ended pension fund;
- increase of the cap on foreign investments (denominated in a currency other than the local currency) from the existing level of 5% to 10% in 2014, 20% in 2015 and 30% as of 2016.

2.2.3. Risk factors relating to the Group

Reduced activity of issuers and investors could reduce the number and value of new securities offerings and the trading volume

The Group's revenues and profits largely depend on the activity of issuers and investors on WSE, in particular the number and value of public offerings and the volume, value and number of financial instruments traded.

In the coming months, WSE may report a decrease of revenue from trading in derivatives following the decision to delist WIG20 futures contracts with a multiplier of PLN 10 (a class of WIG20 futures contracts with a multiplier of PLN 20 remains in trading). The decision of WSE to replace the futures contracts with a multiplier of PLN 10 with futures contracts with a multiplier of PLN 20 aims to stimulate the activity of investors present on that market and to attract new investors to the market mainly through a sharp reduction of transaction costs in relation to the value of a futures contract.

Regulatory fees constitute a significant portion of the Group's cost base, and the Company has limited influence over the size of regulatory levies

WSE and KDPW are each required to contribute monthly payments to PFSA's annual capital markets supervision budget, which is based on the expected costs of supervision of the Polish capital market for a given year and estimated revenues of PFSA from market participants. WSE cannot predict the total amount it will be required to contribute to PFSA's budget in a given year.

2.3. Generated financial results and their key drivers in Q2 2014

2.3.1. Summary of results

For six months

The **WSE Group** generated earnings before interest, taxes, depreciation and amortisation, including share of profit of associates (**EBITDA**) of PLN 85.3 million in H1 2014, an increase of 3.0% (PLN 2.5 million) compared to PLN 82.8 million in H1 2013.

The **WSE Group** generated an operating profit of PLN 66.2 million in H1 2014, an increase of 3.8% (PLN 2.4 million) compared to PLN 63.7 million in H1 2013. The increase of the operating profit compared to H1 2013 resulted from higher revenue from the commodity market segment (an increase of PLN 12.0 million), higher operating expenses (an increase of PLN 7.5 million) and a decrease of net other operating income and costs (a decrease of PLN 1.9 million).

The net profit of the **WSE Group** in H1 2014 was PLN 58.0 million, compared to PLN 59.0 million in H1 2013, a decrease of 1.7% (PLN 1.0 million). The decrease of the net profit compared to H1 2013 was mainly driven by a decrease of the share of profit of associates (by PLN 2.7 million). In H1 2014, Aquis Exchange Ltd contributed a loss of PLN 2.9 million as a share of profit of associates to the Group.

WSE's earnings before interest, taxes, depreciation and amortisation (**EBITDA**) stood at PLN 44.3 million in H1 2014, a decrease of 2.9% (PLN 1.3 million) compared to H1 2013.

WSE generated an operating profit of PLN 32.1 million in H1 2014 compared to PLN 35.6 million in H1 2013. The decrease in the operating profit of WSE compared to H1 2013 was mainly driven by an increase in operating expenses (by PLN 3.1 million) and an increase in other expenses (by PLN 0.9 million) partly offset by an increase in revenue (by PLN 0.7 million). The increase in revenue in H1 2014 was mainly driven by an increase in revenue from information services and listing and a decrease in revenue from trading in equities and derivatives.

WSE's net profit was PLN 39.1 million in H1 2014 compared to PLN 69.9 million in H1 2013. The net profit in H1 2014 was driven by the recognition of dividend from subsidiaries and associates at PLN 14.8 million. The financial income in respect of dividend in H1 2013 stood at PLN 43.3 million.

The **PolPX Group** generated an operating profit of PLN 33.8 million and a net profit of PLN 28.8 million in H1 2014 as compared to PLN 25.6 million and PLN 22.7 million, respectively, in H1 2013.

BondSpot generated an operating profit of PLN 2.0 million and a net profit of PLN 1.9 million in H1 2014 compared to PLN 2.8 million and PLN 2.6 million, respectively, in H1 2013.

For three months

The **WSE Group** generated earnings before interest, taxes, depreciation and amortisation, including share of profit of associates (**EBITDA**) of PLN 32.3 million in Q2 2014, a decrease of 39.1% (PLN 20.8 million) compared to PLN 53.0 million in Q1 2014 and an increase of 2.7% (PLN 0.8 million) compared to PLN 31.4 million in Q2 2013.

The **WSE Group** generated an operating profit of PLN 24.3 million in Q2 2014 compared to PLN 41.9 million in Q1 2014 and PLN 20.7 million in Q2 2013. The net profit of the Group in the quarters under review was PLN 20.4 million, PLN 37.6 million and PLN 17.0 million, respectively.

The reason for the lower operating profit and net profit in Q2 2014 compared to Q1 2014 was mainly the decrease of revenue on the commodity market and the financial market (by PLN 9.7 million and PLN 7.7 million, respectively). The share of profit of associates decreased by PLN 3.1 million in Q2 2014 mainly due to increase in share of net loss in Aquis (by PLN 1.1 million) in Q2 2014 and decrease in share of profit in KDPW (by PLN 2.0 million).

The increase of the operating profit and the net profit in Q2 2014 compared to Q2 2013 (by PLN 3.6 million and PLN 3.4 million, respectively) was mainly driven by an increase of revenue on the commodity market (by PLN 8.0 million), a decrease of revenue on the financial market (by PLN 3.5 million), an increase of other expenses (by PLN 1.0 million) and a decrease of the share of profit of associates (by PLN 2.0 million).

Details of the change in revenue and expenses are presented below.

WSE's earnings before interest, taxes, depreciation and amortisation (**EBITDA**) stood at PLN 17.4 million in Q2 2014, a decrease of 35.1% (PLN 9.4 million) compared to PLN 26.8 million in Q1 2014 and a decrease of 19.8% (PLN 4.3 million) compared to Q2 2013.

WSE generated a separate operating profit of PLN 11.4 million in Q2 2014 compared to PLN 20.8 million in Q1 2014 and PLN 14.7 million in Q2 2013. The decrease in the operating profit in Q2 2014 compared to Q1 2014 (by PLN 9.4 million) was mainly driven by a decrease in revenue (by PLN 7.7 million), mainly from trading in equities (by PLN 5.3 million) and derivatives (by PLN 1.8 million), as well as an increase in operating expenses (by PLN 0.9 million) and an increase in other expenses (by PLN 0.8 million).

The decrease of the operating profit compared to Q2 2013 (by PLN 3.3 million) was mainly driven by a decrease in revenue (by PLN 2.9 million), mainly from trading in equities and derivatives, and an increase in other expenses (by PLN 1.2 million), partly offset by a decrease in operating expenses (by PLN 0.8 million).

WSE's net profit was PLN 23.0 million in Q2 2014 compared to PLN 16.2 million in Q1 2014 and PLN 51.5 million in Q2 2013. The high net profit in Q2 2013 was driven by the recognition of dividend from subsidiaries and associates, mainly the dividend from PolPX at PLN 33.9 million. The cash flows received in respect of dividend stood at PLN 14.8 million in Q2 2014 compared to PLN 42.7 million in Q2 2013.

The **PolPX Group** generated an operating profit of PLN 12.5 million in Q2 2014 compared to PLN 21.3 million in Q1 2014 and PLN 4.9 million in Q2 2013. The net profit of the PolPX Group was PLN 11.0 million, PLN 17.8 million, and PLN 4.3 million, respectively.

BondSpot generated an operating profit of PLN 1.2 million in Q2 2014 compared to PLN 0.8 million in Q1 2014 and PLN 1.5 million in Q2 2013. Its net profit stood at PLN 1.2 million, PLN 0.7 million, and PLN 1.3 million, respectively. The operating profit and the net profit of BondSpot in Q2 2014 were mainly driven by one-off events resulting from the release of unused provisions against legal disputes, which made a positive contribution to the operating profit and the net profit of Q2 2014 at PLN 0.4 million and PLN 0.6 million, respectively.

Consolidated profit and loss account of WSE Group by quarter and semi-annually, 2013-2014

PLN'000	2014		2013				2014		2013	
	Q2	Q1	Q4	Q3	Q2	Q1	H1	H2	H1	
	Revenue	69,255	86,507	70,847	69,000	64,557	79,358	155,762	139,847	143,915
Financial market	48,235	55,952	51,527	49,507	51,701	52,519	104,187	101,034	104,220	
Trading	32,547	39,775	36,441	35,732	37,543	38,182	72,322	72,173	75,726	
Listing	6,124	6,336	5,716	5,248	5,588	5,737	12,460	10,964	11,325	
Information services	9,564	9,841	9,370	8,527	8,570	8,599	19,405	17,897	17,169	
Commodity market	20,336	30,066	18,848	18,710	12,307	26,130	50,402	37,558	38,437	
Trading	10,188	16,140	10,774	10,743	6,501	11,888	26,328	21,517	18,389	
Register of certificates of origin	4,776	7,094	2,996	2,735	1,977	7,897	11,870	5,731	9,874	
Clearing	5,372	6,832	5,078	5,232	3,829	6,345	12,204	10,310	10,174	
Other revenue	684	489	472	783	549	709	1,173	1,255	1,258	
Operating expenses	44,409	43,937	45,108	40,241	44,030	36,845	88,346	85,349	80,875	
Depreciation and amortisation	7,146	7,183	7,203	6,921	7,922	3,676	14,329	14,124	11,599	
Salaries	12,936	13,754	11,701	11,596	14,450	14,168	26,690	23,297	28,618	
Other employee costs	3,347	3,549	3,003	2,631	3,469	3,019	6,896	5,634	6,487	
Rent and maintenance fees	2,629	2,542	2,677	2,661	2,690	2,544	5,171	5,338	5,234	
Fees and charges	5,871	5,743	5,612	5,441	4,879	4,838	11,614	11,053	9,717	
<i>incl.: PFSA fees (WSE)</i>	5,210	5,210	4,956	4,578	4,358	4,356	10,419	9,535	8,714	
External service charges	10,460	9,708	12,721	9,191	7,786	6,544	20,168	21,912	14,330	
Other operating expenses	2,019	1,458	2,191	1,800	2,834	2,056	3,477	3,991	4,890	
Other income	477	221	1,499	227	232	1,266	698	1,726	1,498	
Other expenses	1,048	905	824	491	82	729	1,953	1,315	811	
Operating profit	24,275	41,886	26,414	28,495	20,677	43,051	66,161	54,909	63,727	
Financial income	2,972	2,558	1,702	2,200	2,790	4,225	5,529	3,902	7,015	
Financial expenses	2,584	2,522	2,790	2,561	3,520	3,344	5,105	5,351	6,864	
Share of profit of associates	861	3,966	1,614	3,385	2,846	4,649	4,827	4,999	7,495	
Profit before income tax	25,524	45,888	26,940	31,519	22,792	48,581	71,412	58,459	71,373	
Income tax expense	5,119	8,272	(1,605)	5,566	5,808	6,520	13,391	3,961	12,328	
Profit for the period	20,405	37,616	28,545	25,953	16,984	42,061	58,021	54,498	59,045	

Source: Condensed Consolidated Interim Financial Statements, Company.

Consolidated statement of financial position of WSE Group at quarter-end, 2013-2014

PLN'000	2014		2013			
	Q2	Q1	Q4	Q3	Q2	Q1
Non-current assets	587,013	590,634	576,421	574,749	568,880	579,151
Property, plant and equipment	118,530	121,045	124,042	120,622	128,000	131,182
Intangible assets	264,294	265,932	269,155	272,388	268,372	271,026
Investment in associates	188,674	187,811	158,540	156,694	154,050	155,071
Deferred tax assets	1,341	1,568	-	645	3,897	7,096
Available-for-sale financial assets	10,706	10,775	20,955	20,982	11,010	11,141
Prepayments	3,468	3,503	3,729	3,418	3,551	3,635
Current assets	564,838	525,507	482,707	445,915	506,026	473,336
Inventories	147	142	166	180	176	266
Corporate income tax receivable	6,974	6,138	10,797	5,166	3,970	2,511
Trade and other receivables	41,115	52,345	34,792	44,754	40,555	50,194
Available-for-sale financial assets	428	272	118	586	428	272
Other current assets	-	-	3	-	-	-
Cash and cash equivalents	516,174	466,610	436,831	395,229	460,897	420,093
<i>incl.: assets of the clearing guarantee system</i>	<i>140,022</i>	<i>107,996</i>	<i>125,326</i>	<i>124,581</i>	<i>153,723</i>	<i>144,120</i>
Total assets	1,151,851	1,116,141	1,059,128	1,020,664	1,074,906	1,052,486
Equity	696,280	675,692	638,105	609,024	584,102	600,756
Share capital	63,865	63,865	63,865	63,865	63,865	63,865
Other reserves	1,643	1,249	1,278	1,129	1,920	1,806
Retained earnings	629,756	609,436	571,842	542,825	517,159	533,614
Non-controlling interests	1,016	1,142	1,120	1,205	1,158	1,471
Non-current liabilities	253,239	249,563	249,578	248,234	247,950	247,889
Employee benefits payable	4,447	4,452	4,456	4,283	4,284	4,314
Finance lease liabilities	296	284	439	449	279	289
Provisions for other liabilities and charges	-	-	-	-	-	15
Liabilities under bond issue	243,848	243,733	243,617	243,502	243,387	243,272
Deferred income tax liability	4,648	1,094	1,066	-	-	-
Current liabilities	202,332	190,886	171,445	163,406	242,855	203,841
Trade payables	6,967	3,763	12,738	5,402	3,518	8,924
Finance lease liabilities	265	338	365	460	364	337
Corporate income tax payable	754	1,990	657	969	298	1,705
Liabilities under bond issue	-	2,336	-	2,377	6,419	3,214
Dividends and other liabilities	182,833	171,327	144,035	140,003	218,905	177,709
<i>incl. liabilities of the clearing guarantee system</i>	<i>140,022</i>	<i>107,996</i>	<i>125,326</i>	<i>124,581</i>	<i>153,723</i>	<i>144,120</i>
Employee benefits payable	10,254	9,240	11,511	12,844	11,997	10,601
Provisions for other liabilities and charges	1,259	1,892	2,139	1,351	1,354	1,351
Total equity and liabilities	1,151,851	1,116,141	1,059,128	1,020,664	1,074,906	1,052,486

Source: Condensed Consolidated Interim Financial Statements, Company.

2.3.2. Revenue

The Group has three revenue-generating segments:

- **financial market,**
- **commodity market,**
- **other revenues.**

Revenues from the financial market include revenues from:

- **trading;**
- **listing;**
- **information services.**

Trading revenue includes fees paid by market participants in respect of:

- **transactions on markets of equities and equity-related instruments;**
- **transactions in derivative financial instruments;**
- **transactions in debt instruments;**
- **transactions in other cash market instruments;**
- **other fees paid by market participants.**

Revenues from transactions in equities and equity-related securities are the Group's main source of trading revenues and its main source of sales revenues in general.

Revenues from transactions in derivative financial instruments are the second biggest source of trading revenues on the financial market. Transactions in WIG20 index futures account for the majority of revenues from transactions in derivatives.

Revenues from other fees paid by market participants include mainly fees for services providing access to the trading system.

Revenues from transactions in debt instruments are generated by the Catalyst market as well as the Treasury BondSpot Poland market operated by BondSpot S.A., a subsidiary of WSE.

Revenues from transactions in other cash market instruments include fees for trading in structured products, investment certificates, warrants and ETF units.

Listing revenues include two main elements:

- **one-off fees paid by issuers for introduction of new shares and other instruments to trading on the exchange;**
- **periodic listing fees.**

Revenues from information services mainly include fees paid by data vendors for real-time market data as well as historical and statistical data. Real-time data fees include fixed annual fees and monthly fees based on the data vendor's number of subscribers and the scope of data feeds used by a subscriber.

Revenues of the Group in the commodity market segment include revenues of PolPX and WCCH as well as revenues of WSEInfoEngine from its activity as a trade operator, an entity responsible for balancing and operation of the OTC commodity platform. The group also earned revenues from the operation of the poee WSE Energy Market until the end of Q1 2013.

The commodity market segment includes the following sub-segments:

- **trading;**
- **operation of the Register of Certificates of Origin;**
- **clearing.**

Trading revenue on the commodity market includes:

- **revenue from trading in electricity (spot and forward);**
- **revenue from trading in natural gas (spot and forward);**
- **revenue from trading in property rights;**
- **other fees paid by market participants (members).**

Other fees paid by market participants include PolPX fees, as well as revenues of WSEInfoEngine as a trade operator and entity responsible for balancing and operation of the OTC commodity platform.

Revenues of the sub-segment “clearing” include revenues of the company WCCH, which clears and settles exchange transactions concluded on PolPX, manages the resources of the clearing guarantee system and determines the amount of credits and debits of WCCH members resulting from their transactions.

The Group’s other revenues include revenues of the subsidiaries Instytut Rynku Kapitałowego – WSE Research S.A., as well as revenues of WSE and the PolPX Group, among others, from educational services, office space lease and sponsorship.

The **Group’s** sales revenues amounted to PLN 69.3 million in Q2 2014, a decrease of 19.9% (PLN 17.3 million) compared to Q1 2014 and an increase of 7.3% (PLN 4.7 million) compared to Q2 2013.

The decrease in sales revenues compared to Q1 2014 was mainly driven by a 32.4% (PLN 9.7 million) decrease in revenues from the **commodity market** segment, mainly including trading in property rights in certificates of origin of electricity, other fees paid by market participants, revenue from operation of the Register of Certificates of Origin and clearing. Revenue from the **financial market** decreased by 13.8% (PLN 7.7 million), mainly driven by lower revenue from trading in equities and derivatives.

The sales revenues increased compared to Q2 2013 mainly due to a 65.2% (PLN 8.0 million) increase of revenues from the **commodity market** segment, mainly including trading in property rights in certificates of origin of electricity, operation of the Register of Certificates of Origin and clearing. Revenue from the **financial market** decreased by 6.7% (PLN 3.5 million), mainly driven by lower revenue from trading in equities, lower revenue from trading in derivatives and lower revenue from the debt instruments market. At the same time, revenue from information services and listing revenue increased.

Revenues from the financial market stood at PLN 48.2 million, PLN 56.0 million and PLN 51.7 million, respectively, in the quarters under review.

Revenues from the commodity market stood at PLN 20.3 million representing 29.4% of the Group’s total revenue in Q2 2014 compared to PLN 30.1 million or 34.8% in Q1 2014 and PLN 12.3 million or 19.1% in Q2 2013.

The revenue of the **PolPX Group** stood at PLN 21.1 million in Q2 2014, PLN 28.8 million in Q1 2014 and PLN 12.1 million in Q2 2013. The revenue of **BondSpot** in the quarters under review stood at PLN 3.0 million, PLN 3.1 million, and PLN 3.6 million, respectively.

The revenue of the WSE Group by segment is presented below.

Consolidated revenues of WSE Group and revenue structure in selected quarters and semi-annually, 2013-2014

PLN'000, %	Three-month period ended						Six-month period ended			
	30 June 2014		31 March 2014		30 June 2013		30 June 2014		30 June 2013	
		%		%		%		%		%
Financial market	48,235	69%	55,952	64%	51,701	80%	104,187	67%	104,220	72%
Trading	32,547	47%	39,775	46%	37,543	58%	72,322	46%	75,726	53%
Equities and equity-related instruments	24,491	35%	29,772	34%	26,946	42%	54,263	35%	54,789	38%
Derivative instruments	3,717	5%	5,515	6%	5,624	9%	9,232	6%	10,967	8%
Other fees paid by market participants	1,411	2%	1,435	2%	1,440	2%	2,846	2%	2,956	2%
Debt instruments	2,869	4%	2,985	3%	3,486	5%	5,854	4%	6,923	5%
Other cash instruments	59	0%	68	0%	47	0%	127	0%	90	0%
Listing	6,124	9%	6,336	7%	5,588	9%	12,460	8%	11,325	8%
Listing fees	4,767	7%	4,870	6%	4,376	7%	9,637	6%	8,706	6%
Introduction and other fees	1,357	2%	1,466	2%	1,212	2%	2,823	2%	2,619	2%
Information services	9,564	14%	9,841	11%	8,570	13%	19,405	12%	17,169	12%
Commodity market	20,336	29%	30,066	35%	12,307	19%	50,402	32%	38,437	27%
Trading	10,188	15%	16,140	19%	6,501	10%	26,328	17%	18,389	13%
Electricity	3,368	5%	3,170	4%	2,634	4%	6,538	4%	5,709	4%
Spot	559	1%	651	1%	446	1%	1,210	1%	1,327	1%
Forward	2,809	4%	2,519	3%	2,188	3%	5,328	3%	4,382	3%
Gas	230	0%	53	0%	15	0%	283	0%	22	0%
Spot	26	0%	7	0%	8	0%	33	0%	11	0%
Forward	204	0%	46	0%	7	0%	250	0%	11	0%
Property rights in certificates of origin	5,895	9%	10,203	12%	2,165	3%	16,098	10%	9,335	6%
Other fees paid by market participants	695	1%	2,714	3%	1,687	3%	3,409	2%	3,323	2%
Register of certificates of origin	4,776	7%	7,094	8%	1,977	3%	11,870	8%	9,874	7%
Clearing	5,372	8%	6,832	8%	3,829	6%	12,204	8%	10,174	7%
Other revenue	684	1%	489	1%	549	1%	1,173	1%	1,258	1%
Total	69,255	100%	86,507	100%	64,557	100%	155,762	100%	143,915	100%

Source: Condensed Consolidated Interim Financial Statements, Company

WSE's separate revenue stood at PLN 45.6 million in Q2 2014, a decrease of 14.4% (PLN 7.7 million) compared to Q1 2014 and a decrease of 5.9% (PLN 2.9 million) compared to Q2 2013. The revenue decrease compared both to Q1 2014 and Q2 2013 was mainly driven by a decrease of trading revenue (equities and derivatives trading). Revenue from information services in Q2 2014 decreased modestly compared to Q1 2014 and increased by PLN 1.0 million compared to Q2 2013.

Separate revenues of WSE and revenue structure in selected quarters and semi-annually, 2013-2014

PLN'000, %	Three-month period ended						Six-month period ended			
	30 June 2014		31 March 2014		30 June 2013		30 June 2014		30 June 2013	
		%		%		%		%		%
Financial market	45,251	99%	52,908	99%	48,218	99%	98,159	99%	97,322	99%
Trading	29,745	65%	36,864	69%	34,124	70%	66,609	67%	69,061	70%
Equities and equity-related instruments	24,490	54%	29,772	56%	26,946	56%	54,263	55%	54,789	56%
Derivative instruments	3,718	8%	5,515	10%	5,624	12%	9,232	9%	10,967	11%
Other fees paid by market participants	1,411	3%	1,435	3%	1,440	3%	2,846	3%	2,956	3%
Debt instruments	66	0%	74	0%	67	0%	140	0%	259	0%
Other cash instruments	60	0%	68	0%	47	0%	127	0%	90	0%
Listing	5,941	13%	6,201	12%	5,513	11%	12,142	12%	11,089	11%
Listing fees	4,719	10%	4,831	9%	4,355	9%	9,550	10%	8,669	9%
Introduction and other fees	1,222	3%	1,370	3%	1,158	2%	2,592	3%	2,420	2%
Information services	9,566	21%	9,843	18%	8,581	18%	19,409	20%	17,172	17%
Commodity market	-	0%	-	0%	-	0%	-	0%	131	0%
Trading	-	0%	-	0%	-	0%	-	0%	131	0%
Electricity	-	0%	-	0%	-	0%	-	0%	97	0%
Spot	-	0%	-	0%	-	0%	-	0%	96	0%
Forward	-	0%	-	0%	-	0%	-	0%	1	0%
Gas	-	0%	-	0%	-	0%	-	0%	-	0%
Spot	-	0%	-	0%	-	0%	-	0%	-	0%
Forward	-	0%	-	0%	-	0%	-	0%	-	0%
Property rights in certificates of origin	-	0%	-	0%	-	0%	-	0%	-	0%
Other fees paid by market participants	-	0%	-	0%	-	0%	-	0%	34	0%
Register of certificates of origin	-	0%	-	0%	-	0%	-	0%	-	0%
Clearing	-	0%	-	0%	-	0%	-	0%	-	0%
Other revenue	362	1%	373	1%	255	1%	735	1%	705	1%
Total	45,613	100%	53,282	100%	48,473	100%	98,895	100%	98,158	100%

Source: Condensed Separate Interim Financial Statements, Company

The Group earns revenue both from domestic and foreign clients. The table below presents quarterly revenue by geographic segment.

Consolidated revenues of WSE Group by geographical segment in selected quarters and semi-annually, 2013-2014

PLN'000, %	Three-month period ended						Six-month period ended			
	30 June 2014		31 March 2014		30 June 2013		30 June 2014		30 June 2013	
		%		%		%		%		%
Revenue from foreign customers	12,353	18%	18,149	21%	15,823	25%	30,503	20%	30,870	21%
Revenue from local customers	56,901	82%	68,358	79%	48,734	75%	125,259	80%	113,045	79%
Total	69,255	100%	86,507	100%	64,557	100%	155,762	100%	143,915	100%

Source: Condensed Consolidated Interim Financial Statements, Company

Financial Market

Trading

Revenue from trading in **equities and equity-related instruments** stood at PLN 24.5 million in Q2 2014 compared to PLN 29.8 million in Q1 2014 (a decrease of 17.7%) and PLN 26.9 million in Q2 2013 (a decrease of 9.1%).

The key operational parameters of trading in equities on the Main Market in the quarters under review were as follows:

- the value of the electronic order book in equities on the Main Market decreased by 22.3% in Q2 2014 compared to Q1 2014 and by 16.5% compared to Q2 2013. The monthly value of the electronic order book in equities was PLN 870.1 million in June 2014;
- the value of the electronic order book and block trades was PLN 54.8 billion (including block trades of PLN 8.0 billion) in Q2 2014, PLN 62.9 billion (including block trades of PLN 2.7 billion) in Q1 2014, and PLN 61.1 billion (including block trades of PLN 5.0 billion) in Q2 2013;
- the total volume of trading was 4.1 billion shares in Q2 2014, 8.1 billion shares in Q1 2014, and 7.8 billion shares in Q2 2013;
- the average transaction value, calculated as the ratio of the total value of the electronic order book to the number of transactions in the electronic order book, was PLN 15.2 thousand in Q2 2014 and was higher than in Q1 2014 (PLN 14.8 thousand) and lower than in Q2 2013 (PLN 18.4 thousand);
- the revenue from tender offers for significant blocks of shares was PLN 1.2 million in Q2 2014 compared to PLN 0.05 million in Q1 2014 and PLN 0.2 million in Q2 2013. The high revenue in Q2 2014 was mainly driven by tender offers for shares of Nordea Bank Polska S.A and Ciech S.A.;
- the WIG30 index decreased by 1.0% from 2,612.52 points at the end of Q1 2014 to 2,585.55 points at the end of Q2 2014. The WIG20 index decreased by 2.2% in the period under review.

The value of trading in shares on NewConnect (electronic order book and block trades) stood at PLN 272.0 million in Q2 2014, a decrease of 20.4% compared to Q1 2014 and an increase of 17.9% compared to Q2 2013.

Consolidated revenues of WSE Group from trading in equities and equity-related instruments, the value and volume of trading in equities and equity-related instruments in selected quarters and semi-annually, 2013-2014

	Three-month period ended			Six-month period ended	
	30 June 2014	31 March 2014	30 June 2013	30 June 2014	30 June 2013
Financial market, trading revenue: equities and equity-related instruments (PLN million)	24.5	29.8	26.9	54.3	54.8
<i>Main Market:</i>					
Value of trading (PLN billion)	54.8	62.9	61.1	117.7	132.2
Volume of trading (billions shares)	4.1	8.1	7.8	12.2	16.0
<i>NewConnect:</i>					
Value of trading (PLN billion)	0.3	0.3	0.2	0.6	0.5
Volume of trading (billions shares)	0.6	0.6	0.4	1.3	1.1

Source: Condensed Consolidated Interim Financial Statements, Company

Derivatives

Revenue of the Group from trading in **derivatives** on the financial market stood at PLN 3.7 million in Q2 2014, a decrease of 32.6% (PLN 1.8 million) compared to Q1 2014 and a decrease of 33.9% (PLN 1.9 million) compared to Q2 2013.

The decrease of revenue from trading in derivatives in Q2 2014 compared to both Q1 2014 and Q2 2013 was mainly driven by a lower volume of trading in WIG20 futures (by 32.6% and 33.5%, respectively).

Consolidated revenues of WSE Group from trading in derivatives, the volume of trading in derivatives in selected quarters and semi-annually, 2013-2014

	Three-month period ended			Six-month period ended	
	30 June 2014	31 March 2014	30 June 2013	30 June 2014	30 June 2013
Financial market, trading revenue: derivatives (PLN million)	3.7	5.5	5.6	9.2	11.0
Volume of trading in derivatives (millions of contracts):	2.2	3.2	3.4	5.4	6.5
incl.: volume of trading in WIG20 futures (millions of contracts)	1.5	2.2	2.2	3.7	4.3

Source: Condensed Consolidated Interim Financial Statements, Company

Other fees paid by market participants

Revenue of the Group from **other fees** paid by market participants stood at PLN 1.4 million in each of the quarters under review. These were mainly fees for access to the trading system (including licence fees, connection fees, maintenance fees).

Debt instruments

Revenue of the Group in the **debt instruments** subsegment stood at PLN 2.9 million in Q2 2014, a decrease of 3.9% compared to Q1 2014 and a decrease of 17.7% compared to Q2 2013. The Group's revenue in the debt instruments segment was generated mainly by Treasury BondSpot Poland (TBSP).

The value of trading on TBSP stood at PLN 128.1 billion of conditional transactions and PLN 77.6 billion of cash transactions in Q2 2014. The value of conditional transactions increased by 17.0% compared to Q1 2014 and decreased by 14.2% compared to Q2 2013 while the value of cash transactions decreased by 5.6% and by 33.5% respectively.

The factors driving the decrease of the value of trading on the TBSP market include the modifications introduced to the pension system which restricted the trading activity of an important group of institutional investors: open-ended pension funds, which also had an impact on trading value in the interbank segment.

The value of trading on Catalyst decreased from PLN 0.85 billion in Q1 2014 (including PLN 0.79 billion of electronic order book transactions) to PLN 0.68 billion in Q2 2014 (including PLN 0.50 billion of electronic order book transactions). The value of trading was PLN 1.3 billion in Q2 2013 (including 0.66 billion of electronic order book transactions). These revenues have a small share in the Group's total revenues from trading in debt instruments.

Consolidated revenues of WSE Group from trading in debt instruments, the value of trading in debt instruments in selected quarters and semi-annually, 2013-2014

	Three-month period ended			Six-month period ended	
	30 June 2014	31 March 2014	30 June 2013	30 June 2014	30 June 2013
Financial market, trading revenue: debt instruments (PLN million)	2.9	3.0	3.5	5.9	6.9
Catalyst:					
Value of trading (PLN billion)	0.7	0.8	1.3	1.5	3.0
incl.: Value of trading in non-Treasury instruments (PLN billion)	0.6	0.7	1.1	1.3	2.7
Treasury BondSpot Poland, value of trading:					
Conditional transactions (PLN billion)	128.1	109.5	149.3	237.6	267.3
Cash transactions (PLN billion)	77.6	82.2	116.6	159.9	219.7

Source: Condensed Consolidated Interim Financial Statements, Company

Other cash market instruments

Revenue from trading in **other cash market instruments** stood at PLN 0.06 million in Q2 2014 compared to PLN 0.07 million in Q1 2014 and PLN 0.05 million in Q2 2013. The revenue includes fees on trading in structured products, investment certificates, ETF units and warrants.

Listing

Listing revenue on the financial market stood at PLN 6.1 million in Q2 2014, a decrease of 3.3% (PLN 0.2 million) compared to Q1 2014 and an increase of 9.6% (PLN 0.5 million) compared to Q2 2013.

Revenue from **listing fees** stood at PLN 4.8 million in Q2 2014, a decrease of 2.1% compared to PLN 4.9 million in Q1 2014 and an increase of 8.9% compared to PLN 4.4 million in Q2 2013. The main driver of the revenue from listing is the number of companies listed on WSE's trading markets and their capitalisation as at the year's end. The increase in revenue from listing fees in Q1 2014 and Q2 2014 compared to Q2 2013 was mainly driven by a higher capitalisation of companies on the Main Market at the end of 2013 as the basis of the fees for 2014.

Revenue from fees for **introduction as well as other fees** stood at PLN 1.4 million in Q2 2014, PLN 1.5 million in Q1 2014, and PLN 1.2 million in Q2 2013, respectively. The main driver of the revenue is the number and value of new listings on WSE's trading markets.

Eight companies were newly listed on the **Main Market** and the total value of IPOs and SPOs was PLN 1.4 billion in Q2 2014 compared to 5 new listings worth PLN 1.0 billion in Q1 2014 and 7 new listings worth PLN 1.1 billion in Q2 2013. There were 458 companies listed on the Main Market and their total capitalisation was PLN 905.6 billion at the end of Q2 2014 compared to 450 companies worth PLN 892.0 billion at the end of Q1 2014 and 442 companies worth PLN 725.4 billion at the end of Q2 2013.

Consolidated listing revenue of WSE Group, market capitalisation, number of listed companies, number and capitalisation of new listings, value of IPOs and SPOs, number and value of delistings on the Main Market in selected quarters and semi-annually, 2013-2014

	As at / Three-month period ended			As at / Six-month period ended	
	30 June 2014	31 March 2014	30 June 2013	30 June 2014	30 June 2013
Main Market					
Listing revenue (PLN million)	5.2	5.4	4.7	10.6	9.5
Capitalisation of listed companies (domestic) (PLN billion)	607.2	613.4	514.7	607.2	514.7
Capitalisation of listed companies (foreign) (PLN billion)	298.3	278.6	210.6	298.3	210.6
Number of listed companies (domestic)	409	404	397	409	397
Number of listed companies (foreign)	49	46	45	49	45
Value of offerings (IPO and SPO) (PLN billion)	1.4	1.0	1.1	2.4	2.5
Number of new listings (in the period)	8	5	7	13	10
Capitalisation of new listings (PLN billion)	1.7	1.5	1.0	3.2	2.1
Number of delistings	0	5	4	5	6
Capitalisation of delistings* (PLN billion)	0.0	0.5	0.9	0.5	5.4

* based on market capitalisation at the time of delisting

Source: Company

Three companies were newly listed on **NewConnect** and the total value of IPOs and SPOs was PLN 55 million in Q2 2014 compared to 8 new listings worth PLN 78 million in Q1 2014 and 16 new listings worth PLN 137 million in Q2 2013. There were 439 companies listed on NewConnect and their total capitalisation was PLN 10.2 billion at the end of Q2 2014 compared to 442 companies worth PLN 10.1 billion at the end of Q1 2014 and 446 companies worth PLN 9.8 billion at the end of Q2 2013.

Consolidated listing revenue of WSE Group, market capitalisation, number of listed companies, number and capitalisation of new listings, value of IPOs and SPOs, number and value of delistings on NewConnect in selected quarters and semi-annually, 2013-2014

	As at / Three-month period ended			As at / Six-month period ended	
	30 June 2014	31 March 2014	30 June 2013	30 June 2014	30 June 2013
NewConnect					
Listing revenues (PLN million)	0.6	0.7	0.7	1.3	1.4
Capitalisation of listed companies (domestic) (PLN billion)	9.8	9.6	9.5	9.8	9.5
Capitalisation of listed companies (foreign) (PLN billion)	0.4	0.5	0.3	0.4	0.3
Number of listed companies (domestic)	429	432	437	429	437
Number of listed companies (foreign)	10	10	9	10	9
Value of offerings (IPO and SPO) (PLN billion)	0.1	0.1	0.1	0.1	0.3
Number of new listings (in the period)	3	8	16	11	28
Capitalisation of new listings (PLN billion)	0.1	0.1	0.4	0.2	0.7
Number of delistings*	6	11	6	17	11
Capitalisation of delistings** (PLN billion)	0.1	0.4	0.5	0.5	0.5

* includes companies transitioned to listing on the Main Market

**based on market capitalisation at the time of delisting

Source: Company

The number of issuers on the **Catalyst** market grew in the period under review. Catalyst listed instruments of 185 issuers (including the State Treasury) at the end of Q2 2014 compared to 177 issuers at the end of Q1 2014 and 170 issuers at the end of Q2 2013. The total nominal value of issued instruments was PLN 532.5 billion at the end of Q2 2014 compared to PLN 514.9 billion at the end of Q1 2014 and PLN 615.0 billion at the end of Q2 2013, including the value of non-Treasury instruments at PLN 66.1 billion, PLN 60.7 billion, and PLN 56.4 billion, respectively. The decrease in the total nominal value of issued bonds in H1 2014 was mainly driven by the transfer to the Social Security Institution (ZUS) and the redemption of Treasury bonds previously held by open-ended pension funds.

Consolidated listing revenue of WSE Group, number of issuers, number of issued instruments and value of issued instruments on Catalyst in selected quarters and semi-annually, 2013-2014

	Three-month period ended			Six-month period ended	
	30 June 2014	31 March 2014	30 June 2013	30 June 2014	30 June 2013
	Catalyst				
Listing revenue (PLN million)	0.4	0.2	0.2	0.6	0.5
Number of issuers	185	177	170	185	170
Number of issued instruments	481	460	419	481	419
<i>of which: non-Treasury instruments</i>	<i>448</i>	<i>427</i>	<i>381</i>	<i>448</i>	<i>381</i>
Value of issued instruments (PLN billion)	532.5	514.9	615.0	532.5	615.0
<i>of which: non-Treasury instruments</i>	<i>66.1</i>	<i>60.7</i>	<i>56.4</i>	<i>66.1</i>	<i>56.4</i>

Source: Company

Information services

Revenue from **information services** stood at PLN 9.6 million in Q2 2014 compared to PLN 9.8 million in Q1 2014 and PLN 8.6 million in Q2 2013. The high quarterly revenue in 2014 was driven by an increase of the number of subscribers of professional data feeds and a change of the structure of fees including an increase of some fees.

Consolidated revenues of WSE Group from information services, number of data vendors and subscribers in selected quarters and semi-annually, 2013-2014

	As at / Three-month period ended			As at / Six-month period ended	
	30 June 2014	31 March 2014	30 June 2013	30 June 2014	30 June 2013
	Revenues from information services (PLN million)	9.6	9.8	8.6	19.4
Number of data vendors	58	59	58	58	58
Number of subscribers ('000 subscribers) *	264.5	265.4	257.3	264.5	257.3

* Data for June 2014 as at the end of May 2014 - WSE receives reports from data vendors within 30 days of the end of a month.

Source: Company

Commodity market

Revenue from the commodity market includes mainly the revenue of the PolPX Group and the revenue of WSEInfoEngine S.A. from its business as a trade operator, as well as the revenue of WSE from the WSE Energy Market poee (until the end of Q1 2013).

Revenues of the PolPX Group are mainly driven by the volume of transactions in electricity, gas and property rights, the volume of certificates of origin issued and redeemed by members of the Register of Certificates of Origin, as well as revenues from clearing and settlement of transactions in exchange commodities in the clearing subsegment operated by WCCH.

Revenues of the WSE Group from the **commodity market** stood at PLN 20.3 million in Q2 2014 compared to PLN 30.1 million in Q1 2014 and PLN 12.3 million in Q2 2013.

The decrease of the revenue from the commodity market by 32.4% (PLN 9.7 million) in Q2 2014 compared to Q1 2014 was mainly driven by a decrease of revenue from trading on the market of property rights in certificates of origin of electricity, a decrease of revenue from other fees paid by market participants and a decrease of revenue from the operation of the register of certificates of origin and from clearing and settlement of exchange-traded commodities performed by WCCH.

In Q2 2014, the Group's revenue from the commodity market increased by PLN 8.0 million year on year. The increase of revenue was mainly driven by a higher revenue from trading in property rights in certificates of origin of electricity, a higher revenue from the operation of the register of certificates of origin from clearing and settlement of exchange-traded commodities. On the other hand, the revenue from other fees paid by commodity market participants decreased.

Trading

Trading revenues of the WSE Group on the commodity market amounted to PLN 10.2 million in Q2 2014, including PLN 0.6 million of revenues from spot transactions in electricity, PLN 2.8 million of revenues from forward transactions in electricity, PLN 0.2 million of revenues from transactions in gas, PLN 5.9 million of revenues from transactions in property rights in certificates of origin of electricity, and PLN 0.7 million of other fees paid by market participants.

Revenues from other fees paid by market participants and external service charges were adjusted by PLN 2.8 million in Q2 2014. The adjustment concerned the value of transactions related to the clearing of power purchase and sale as part of services on the balancing market provided by WSEInfoEngine as the entity responsible for balancing. As a result of the adjustment, the revenue line of other fees paid by market participants and the expenses line of external service charges were reduced. The adjustment of PLN 2.8 million in Q2 2014 covered revenue and expenses of the first six months of 2014. At the same time, the adjustment of revenue and expenses is neutral to the operating profit and the net profit of the WSE Group.

Revenues from trading on the commodity market in Q2 2014 decreased by PLN 6.0 million compared to Q1 2014 and increased by PLN 3.7 million compared to Q2 2013.

The decrease of the revenue in Q2 2014 compared to Q1 2014 was mainly driven by a decrease of revenue from trading in property rights in certificates of origin of electricity (by PLN 4.3 million) and other fees paid by market participants (by PLN 2.0 million).

The increase of the revenue in Q2 2014 compared to Q2 2013 was mainly driven by an increase of revenue from trading in property rights in certificates of origin of electricity (by PLN 3.7 million).

**Consolidated trading revenue of WSE Group on the commodity market and the volume of trading on the commodity market
in selected quarters and semi-annually, 2013-2014**

	Three-month period ended			Six-month period ended	
	30 June 2014	31 March 2014	30 June 2013	30 June 2014	30 June 2013
Commodity market - trading revenue (PLN million)	10.2	16.1	6.5	26.3	18.4
Volume of trading in electricity (WSE EM poee* and PolPX):					
Spot transactions (TWh)	5.6	6.5	4.9	12.1	11.0
Forward transactions (TWh)	37.9	35.0	31.9	72.9	61.8
Volume of trading in gas** (PolPX):					
Spot transactions (TWh)	0.3	0.1	0.1	0.4	0.2
Forward transactions (TWh)	3.9	0.9	0.2	4.8	0.3
Volume of trading in property rights (PolPX) (TWh)	6.4	11.1	4.0	17.4	27.7

* As of 31 March 2013, trading on WSE EM poee was discontinued

** Gas Market opened on PolPX on 20 December 2012

Source: Company

Revenue of the Group from trading in **electricity** stood at PLN 3.4 million in Q2 2014 compared to PLN 3.2 million in Q1 2014 and PLN 2.6 million in Q2 2013. The total volume of trading on the energy markets operated by PolPX stood at 43.5 TWh in Q2 2014 compared to 41.5 TWh in Q1 2014 and 36.8 TWh in Q2 2013.

The revenue of the Group from **trading in gas** stood at PLN 0.2 million in Q2 2014 compared to PLN 0.05 million in Q1 2014 and PLN 0.02 million in Q2 2013. The volume of trade in natural gas on PolPX was 4.2 TWh in Q2 2014, 1.0 TWh in Q1 2014 and 0.3 TWh in Q2 2013.

PolPX's offer in the natural gas segment addresses market demand following the amendment of the energy law of 26 July 2013 (effective as of 11 September 2013), imposing the obligation to sell a percentage of natural gas supplied to the transmission grid within the year on a commodity exchange or a market organised by an entity operating a regulated market in the Republic of Poland. The obligation is binding on energy companies which trade in gas fuels and amounts to 40% in 2014 and 55% in 2015 and beyond.

The Group's revenue from the operation of **trading in property rights** stood at PLN 5.9 million in Q2 2014 compared to PLN 10.2 million in Q1 2014 and PLN 2.2 million in Q2 2013. The volume of trading in property rights stood at 6.4 TWh in Q2 2014 and was lower than in Q1 2014 (11.1 TWh) and higher than in Q2 2013 (4.0 TWh).

The increase of the volume of trade in property rights in the first quarter of each of the year was mainly driven by the mandatory redemption of certificates of origin of electricity from renewable sources and certificates of electric efficiency by 31 March. Market participants buy certificates of origin from electricity producers to increase their property rights balances and subsequently redeem the certificates. As a result, the trading volume in the second quarter of each year is always lower than in the first quarter.

The decrease in revenues in Q2 2014 (by 42.2%) and the lower volumes of trading in property rights compared to Q1 2014 are a typical development triggered by less active trading by market participants following the clearing of the mandatory redemption of certificates of origin for the previous year.

The volume of trade in property rights in green certificates of origin of electricity was 6.2 TWh in Q2 2014 compared to 10.7 TWh in Q1 2014 and 3.9 TWh in Q2 2013. The revenue from trade in property rights in green

certificates of origin of electricity represented 98.4%, 98.3% and 99.3%, respectively, of the Group's total revenue from trade in property rights in the quarters under review.

In addition to the higher volume of trade in property rights in green certificates of origin of electricity, the higher revenue from trade in property rights in Q2 2014 compared to Q2 2013 was also driven by the expiration of promotional fees on trade in property rights in green certificates of origin of electricity outside the session (as of the end of June 2013) and at the session (as of the end of 2013).

The revenue of the Group from **other fees paid by commodity market participants** stood at PLN 0.7 million in Q2 2014 compared to PLN 2.7 million in Q1 2014 and PLN 1.7 million in Q2 2013. Other fees paid by commodity market participants included fees from market participants of PolPX as well as revenues of WSEInfoEngine acting as a trade operator.

Register of Certificates of Origin

Revenue from the operation of the **Register of Certificates of Origin** stood at PLN 4.8 million in Q2 2014 compared to PLN 7.1 million in Q1 2014 and PLN 2.0 million in Q2 2013. Despite a 52.2% increase in the volume of issued property rights, the decrease of the revenue compared to Q1 2014 was mainly driven by the types of issued certificates of origin of electricity. The significant increase in the volume of issued certificates concerned mainly certificates of origin of electricity from cogeneration for which fees are lower than for property rights in green certificates of origin of electricity.

The decrease in revenue in Q2 2014 compared to Q1 2014 was mainly driven by a decrease in the volume of redeemed certificates of origin in Q2 2014. The volume of redemption of certificates in the second quarter of each year is lower than in the first quarter following the mandatory redemption of certificates of origin for the previous year by the end of Q1.

Consolidated revenue of WSE Group from operation of the Register of Certificates of Origin of electricity, volume of issued and cancelled property rights in selected quarters and semi-annually, 2013-2014

	Three-month period ended			Six-month period ended	
	30 June 2014	31 March 2014	30 June 2013	30 June 2014	30 June 2013
Commodity market - revenue from operation of the Register of Certificates of Origin of electricity (PLN million)	4.8	7.1	2.0	11.9	9.9
Issued property rights (TWh)	13.4	8.8	4.9	22.2	18.7
Redeemed property rights (TWh)	3.7	9.7	0.1	13.3	34.3

Source: Company

Clearing

The Group earns revenue from the **clearing activities** of WCCH, which is a subsidiary of PolPX. The revenue stood at PLN 5.4 million in Q2 2014 compared to PLN 6.8 million in Q1 2014 and PLN 3.8 million in Q2 2013.

The decrease in revenue in Q2 2014 compared to Q1 2014 was mainly driven by lower trading volumes and the resulting fees for clearing of transactions in property rights, mainly in RES instruments (green certificates of origin of electricity). The increase in the volume of trade in property rights in the first quarters of the year is mainly a result of the end of the clearing year for redemption of certificates of origin (by 31 March). In the second quarter of the year, after the redemption deadline, the trading activity of market participants and the volume of trade in property rights decrease.

Other revenue

The Group's other revenue stood at PLN 0.7 million in Q2 2014 compared to PLN 0.5 million in Q1 2014 and PLN 0.5 million in Q2 2013. The Group earns other revenue from educational and PR services, office space lease and sponsorship.

2.3.3. Operating expenses

Total operating expenses of the **WSE Group** stood at PLN 44.4 million in Q2 2014, a modest increase of 1.1% (PLN 0.5 million) compared to Q1 2014 and an increase of 0.9% (PLN 0.4 million) compared to Q2 2013. The increase of expenses compared to Q1 2014 was mainly driven by higher service charges (increase of PLN 0.8 million), other operating expenses (increase of PLN 0.6 million), as well as lower salaries and other employee costs (decrease of PLN 1.0 million).

The increase of expenses in Q2 2014 compared to Q2 2013 was mainly driven by higher external service charges (increase of PLN 2.7 million) at WSE and PolPX, as well as higher fees and charges (increase of PLN 1.0 million, mainly fees paid to PFSA). On the other hand, in the period under review, salaries and other employee costs decreased (by PLN 1.6 million), as did depreciation and amortisation (by PLN 0.8 million, mainly due to the extended period of amortisation of the UTP licence from 8 to 12 years) and other operating expenses (by PLN 0.8 million, mainly relating to low-value software).

Operating expenses of the **PolPX Group** stood at PLN 8.4 million in Q2 2014, PLN 7.2 million in Q1 2014, and PLN 7.1 million in Q2 2013. Operating expenses of **BondSpot** in the quarters under review stood at PLN 2.3 million, PLN 2.3 million, and PLN 2.1 million, respectively.

Consolidated operating expenses of WSE Group and structure of operating expenses in selected quarters and semi-annually, 2013-2014

PLN'000, %	Three-month period ended						Six-month period ended			
	30 June 2014	%	31 March 2014	%	30 June 2013	%	30 June 2014	%	30 June 2013	%
Depreciation and amortisation	7,146	16%	7,183	16%	7,922	18%	14,329	16%	11,599	14%
Salaries	12,936	29%	13,754	31%	14,450	33%	26,690	30%	28,618	35%
Other employee costs	3,347	8%	3,549	8%	3,469	8%	6,896	8%	6,487	8%
Rent and other maintenance fees	2,629	6%	2,542	6%	2,690	6%	5,171	6%	5,234	6%
Fees and charges	5,871	13%	5,743	13%	4,879	11%	11,614	13%	9,717	12%
<i>including: PFSA fees (WSE)</i>	5,210	12%	5,210	12%	4,358	10%	10,419	12%	8,714	11%
External service charges	10,460	24%	9,708	22%	7,786	18%	20,168	23%	14,330	18%
Other operating expenses	2,019	5%	1,458	3%	2,834	6%	3,477	4%	4,890	6%
Total	44,409	100%	43,937	100%	44,030	100%	88,346	100%	80,875	100%

Source: Condensed Consolidated Interim Financial Statements, Company

Separate operating expenses of **WSE** stood at PLN 33.1 million in Q2 2014, an increase of 2.9% (PLN 0.9 million) compared to Q1 2014 and a decrease of 2.5% (PLN 0.8 million) compared to Q2 2013. The overall operating expenses in Q2 2014 compared to Q1 2014 were mainly driven by:

- a decrease of salaries and other employee costs (by PLN 1.0 million) mainly driven by the cost of jubilee bonuses due to employees with many years of service recognised in Q1 2014 (PLN 0.5 million), unused holiday leave provisions released in Q2 2014 (PLN 0.2 million) and lower charges due to social security contributions paid in Q2 2014 (PLN 0.3 million);

- an increase of external service charges in Q2 2014 (by PLN 1.8 million) mainly driven by higher promotion and advertising costs (by PLN 2.1 million), lower costs of advisory (by PLN 0.3 million) and lower costs of data transmission lines (PLN 0.1 million);
- an increase of other operating expenses (by PLN 0.1 million) mainly driven by higher costs of electricity, business travel and conferences.

The decrease of operating expenses in Q2 2014 compared to Q2 2013 was mainly driven by:

- a decrease of salaries and other employee costs by PLN 1.8 million mainly driven by lower costs of provisions against annual bonuses and lower employee severance pay on termination of service;
- a decrease of depreciation and amortisation by PLN 1.0 million, mainly due to the extended period of amortisation of the UTP licence from 8 to 12 years as of Q3 2013; as a result, the quarterly cost of amortisation of the UTP license decreased by nearly PLN 1.0 million;
- a decrease of other operating expenses by PLN 0.6 million, mainly the cost of low-value software;
- an increase of external service charges by PLN 1.7 million, mainly promotion and advertising costs;
- higher fees and charges (an increase of fees paid to PFSA by PLN 0.9 million).

Separate operating expenses of WSE and structure of operating expenses in selected quarters and semi-annually, 2013-2014

PLN'000, %	Three-month period ended						Six-month period ended			
	30 June 2014		31 March 2014		30 June 2013		30 June 2014		30 June 2013	
		%		%		%		%		%
Depreciation and amortisation	6,052	18%	6,066	19%	7,044	21%	12,119	19%	9,939	16%
Salaries	7,816	24%	8,537	27%	9,353	28%	16,354	25%	18,969	31%
Other employee costs	2,338	7%	2,652	8%	2,632	8%	4,990	8%	4,941	8%
Rent and other maintenance fees	2,074	6%	2,092	7%	2,120	6%	4,166	6%	4,158	7%
Fees and charges	5,445	16%	5,378	17%	4,517	13%	10,823	17%	9,011	14%
including: PFSA fees (WSE)	5,210	16%	5,210	16%	4,358	13%	10,419	16%	8,714	14%
External service charges	8,340	25%	6,525	20%	6,669	20%	14,864	23%	11,922	19%
Other operating expenses	1,028	3%	923	3%	1,607	5%	1,951	3%	3,228	5%
Total	33,093	100%	32,173	100%	33,942	100%	65,266	100%	62,168	100%

Source: Condensed Separate Interim Financial Statements, Company

The comments below concerning operating expenses items are based on **consolidated figures of the WSE Group**.

Depreciation and amortisation: Depreciation and amortisation stood at PLN 7.1 million in Q2 2014 compared to PLN 7.2 million in Q1 2014 and PLN 7.9 million in Q2 2013. The decrease in depreciation and amortisation in Q1 2014 and Q2 2014 compared to Q2 2013 was mainly driven by the extended period of amortisation of the UTP licence from 8 to 12 years as of Q3 2013. As a result, the quarterly cost of amortisation of the UTP license decreased by nearly PLN 1.0 million.

Salaries and other employee costs: Salaries and other employee costs stood at PLN 16.3 million in Q2 2014 compared to PLN 17.3 million in Q1 2014 and PLN 17.9 million in Q2 2013.

The decrease of salaries in Q2 2014 compared to Q1 2014 was mainly driven by costs of WSE (a decrease of PLN 1.0 million) including mainly jubilee bonuses due to employees with many years of service recognised in Q1 2014 (PLN 0.5 million), unused holiday leave provisions released in Q2 2014 (PLN 0.2 million) and lower charges due to social security contributions paid in Q2 2014 (PLN 0.3 million).

The headcount of the Group was 353 FTEs at 30 June 2014. The increase of the Group's headcount in Q2 2014 compared to Q1 2014 was mainly driven by the increased headcount of PolPX due to the implementation of the company's new development initiatives and project enhancing the safety of the commodity market.

Employment in WSE Group

# FTEs	As at		
	30 June 2014	31 March 2014	30 June 2013
WSE	208	206	204
Subsidiaries	145	143	129
Total	353	349	333

Source: Company

External service charges: External service charges stood at PLN 10.5 million in Q2 2014, an increase of 7.8% compared to Q1 2014 and an increase of 34.4% compared to Q2 2013.

**Consolidated external service charges of WSE Group and structure of external service charges in selected quarters and semi-annually,
2013-2014**

PLN'000, %	Three-month period ended						Six-month period ended			
	30 June 2014		31 March 2014		30 June 2013		30 June 2014		30 June 2013	
		%		%		%		%		%
Fixed assets maintenance	3,238	31%	2,891	30%	2,804	36%	6,129	30%	5,304	37%
Security	286	3%	263	3%	266	3%	549	3%	543	4%
Data transmission lines	1,376	13%	1,484	15%	1,430	18%	2,860	14%	2,526	18%
Phone and mobile phone services	174	2%	177	2%	197	3%	351	2%	342	2%
Software modification	47	0%	70	1%	62	1%	117	1%	92	1%
Information services	77	1%	126	1%	95	1%	203	1%	242	2%
Promotion, education and market development	2,994	29%	1,069	11%	1,009	13%	4,063	20%	1,523	11%
Market liquidity support	202	2%	173	2%	192	2%	375	2%	481	3%
Advisory and audit services	637	6%	896	9%	635	8%	1,533	8%	926	6%
Support services for TBSP market	280	3%	281	3%	217	3%	561	3%	417	3%
Legal and translation services	309	3%	312	3%	386	5%	621	3%	672	5%
Transportation services	53	1%	47	0%	44	1%	100	0%	79	1%
Lease fees	85	1%	86	1%	87	1%	171	1%	173	1%
Cleaning services	144	1%	78	1%	83	1%	222	1%	172	1%
Newspaper ads	-	0%	-	0%	-	0%	-	0%	-	0%
Training	153	1%	79	1%	75	1%	232	1%	165	1%
Mail fees	37	0%	38	0%	23	0%	75	0%	35	0%
Bank fees	35	0%	35	0%	38	0%	70	0%	67	0%
KDPW fees	5	0%	2	0%	7	0%	7	0%	10	0%
Other	328	3%	1,601	16%	137	2%	1,929	10%	561	4%
Total external service charges	10,460	100%	9,708	100%	7,786	100%	20,168	100%	14,330	100%

Source: Condensed Consolidated Interim Financial Statements, Company

The increase compared to Q1 2014 was mainly reported at WSE and the PolPX Group (an increase of PLN 1.8 million and PLN 0.7 million, respectively). On the other hand, external service charges at WSEInfoEngine decreased (by PLN 1.7 million). External service charges in Q2 2014 compared to Q1 2014 were driven by the following factors:

- higher costs of WSE including mainly higher promotion and advertising costs (by PLN 2.1 million), lower costs of advisory (by PLN 0.3 million) and lower costs of data transmission lines (PLN 0.1 million);
- higher costs of the PolPX Group including mainly cost of maintenance of the trading and clearing system Condicto and expenses for office refurbishment;
- lower costs of WSEInfoEngine due to an adjustment of the value of transactions related to the clearing of power purchase and sale as part of services on the balancing market provided by WSEInfoEngine as the entity responsible for balancing (reduction of external service charges by PLN 2.8 million in Q2 2014 for the first six months of 2014). On the revenue side, the adjustment of PLN 2.8 million concerned other fees paid by commodity market participants.

The increase of external service charges compared to Q2 2013 was mainly due to higher costs of WSE (an increase of PLN 1.7 million), higher costs of the PolPX Group (an increase of PLN 1.5 million) and lower costs of WSEInfoEngine and (a decrease of PLN 0.7 million). The increase of costs in Q2 2014 compared to Q2 2013 was driven by the following factors:

- higher cost of WSE including mainly higher promotion and advertising costs (an increase of PLN 1.8 million);



- higher costs of the PolPX Group including mainly costs of promotion, advisory, refurbishment, maintenance and other expenses;
- lower costs of WSEInfoEngine due to an adjustment of the value of transactions related to the clearing of power purchase and sale as part of services on the balancing market provided by WSEInfoEngine as the entity responsible for balancing (reduction of external service charges by PLN 2.8 million in Q2 2014 for the first six months of 2014). On the revenue side, the adjustment of PLN 2.8 million concerned other fees paid by commodity market participants.

Rent and other maintenance fees: Rent and other maintenance fees were stable in the quarters under review and stood at PLN 2.6 million in Q2 2014 compared to PLN 2.5 million in Q1 2014 and PLN 2.7 million in Q2 2013.

Fees and charges: Fees and charges stood at PLN 5.9 million in Q2 2014, PLN 5.7 million in Q1 2014 and PLN 4.9 million in Q2 2013. The main part of these costs are fees paid by WSE to PFSA for supervision over the capital market. The fees paid to PFSA stood at PLN 5.2 million in Q2 2014, PLN 5.2 million in Q1 2014 and PLN 4.4 million in Q2 2013. According to information from PFSA, the advance fee for supervision over the capital market will be PLN 5.3 million in Q3 2014.

Other operating expenses: Other operating expenses stood at PLN 2.0 million in Q2 2014, PLN 1.5 million in Q1 2014 and PLN 2.8 million in Q2 2013. The increase of expenses in Q2 2014 compared to Q1 2014 was mainly driven by higher costs of PolPX in respect of materials consumption and professional membership fees.

The decrease of costs in Q2 2014 compared to Q2 2013 was mainly driven by lower costs of WSE's low-value software.

Other operating expenses included mainly costs of materials and electricity, business travel, professional membership fees, non-life insurance, and conferences.

2.3.4. Other income and expenses

Other income of the Group stood at PLN 0.5 million in Q2 2014 compared to PLN 0.2 million in Q1 2014 and PLN 0.2 million in Q2 2013. Other income in Q2 2014 was mainly driven by partial release of provisions against legal disputes relating to a settlement with the former Management Board of BondSpot at PLN 0.4 million.

Other expenses of the Group stood at PLN 1.0 million in Q2 2014 compared to PLN 0.9 million in Q1 2014 and PLN 0.1 million in Q2 2013.

Other expenses mainly included provisions set up by WSE against irregular debt at PLN 0.8 million in Q2 2014 compared to PLN 0.3 million in Q1 2014. In addition, in Q1 2014, the PoIPX Group incurred cost of PLN 0.6 million due to an adjustment of the VAT sale ratio for 2013 applied to deduct VAT accrued on purchase invoices.

The Group incurred cost of donations at PLN 67 thousand in Q2 2014 compared to PLN 37 thousand in Q1 2014 and PLN 35 thousand in Q2 2013.

2.3.5. Financial income and expenses

Financial income of the Group stood at PLN 3.0 million in Q2 2014, PLN 2.6 million in Q1 2014 and PLN 2.8 million in Q2 2013. The generated financial income includes mainly interest on bank deposits and coupons on Treasury bonds held by WSE.

The financial income in Q2 2014 also included the release of PLN 0.2 million of provisions against legal disputes concerning statutory interest relating to a settlement with the former Management Board of BondSpot.

In H1 2013 and 2014, the high separate financial income earned by WSE included mainly dividend from subsidiaries and associates, which is not reported in the consolidated financial statements due to elimination in consolidation.

The total dividend earned by WSE in H1 2014 was PLN 14.8 million (PLN 11.6 million from PoIPX, PLN 2.8 million from BondSpot, PLN 0.4 million from Centrum Giełdowe). In H1 2013, the total dividend earned was PLN 43.3 million (PLN 33.9 million from PoIPX, PLN 5.1 million from BondSpot, PLN 3.7 million from KDPW, PLN 0.5 million from Centrum Giełdowe).

Financial expenses of the Group stood at PLN 2.6 million in Q2 2014 compared to PLN 2.5 million in Q1 2014 and PLN 3.5 million in Q2 2013.

In December 2011 and February 2012, WSE issued bonds with a total nominal value of PLN 245.0 million. The bonds are due for redemption on 2 January 2017. The bonds bear interest at a floating rate equal to WIBOR 6M + 1.17%, interest is paid semi-annually.

Interest on the bonds is the main contributor to the financial expenses of the Group. The interest cost was PLN 2.4 million in Q2 2014 compared to PLN 2.3 million in Q1 2014 and PLN 3.2 million in Q2 2013. The lower financial expenses in Q1 2014 and Q2 2014 compared to Q2 2013 were mainly driven by lower interest costs on the bonds due to reduction of WIBOR 6M, which is the interest rate underlying the interest rate on the bonds. The interest rate on the bonds was 3.89% in Q1 2014 and Q2 2014 compared to 5.29% in Q2 2013.

2.3.6. Share of profit of associates

The Group's share of profit of associates stood at PLN 0.9 million in Q2 2014 compared to PLN 4.0 million in Q1 2014 and PLN 2.8 million in Q2 2013.

The share of profit of associates was mainly driven by the net profit of the **KDPW Group** which stood at PLN 8.2 million in Q2 2014 compared to PLN 14.1 million in Q1 2014 and PLN 8.7 million in Q2 2013.

The results of the KDPW Group show some seasonality. Due to the accounting recognition of annual fees in the income of the first quarter of every year, the results of Q1 are usually not comparable to the other quarters. In Q1 and Q2 2014, the KDPW Group earned revenue from the provision of new services: the Trade Repository and issuance and maintenance of LEI codes. Such revenue stood at PLN 1.6 million and PLN 1.8 million in Q1 2014 and PLN 1.1 million and PLN 0.2 million in Q2 2014, respectively.

The company **Centrum Gieldowe** generated a net profit of PLN 0.5 million in Q2 2014 compared to PLN 0.7 million in Q1 2014 and a net loss of PLN 0.2 million in Q2 2013. The volatility of the net profit of Centrum Gieldowe in the quarters under review is driven by fx differences due to the dates and amounts of repayment of the company's US\$ denominated loan.

The company **Aquis Exchange Ltd** became an associate on the acquisition of the second tranche of shares by WSE in February 2014. In Q1 and Q2 2014, Aquis Exchange Ltd contributed a loss of PLN 0.9 million and PLN 2.0 million, respectively, as a share of profit of associates to the Group.

PLN'000	Profit / (Loss) of associates				
	Three-month period ended			Six-month period ended	
	30 June 2014	31 March 2014	30 June 2013	30 June 2014	30 June 2013
KDPW Group	8,204	14,087	8,694	22,291	22,772
Centrum Gieldowe S.A.	515	690	(211)	1,205	(389)
Aquis Exchange Ltd *	(6,137)	(2,762)	-	(8,898)	-
Total	2,582	12,015	8,483	14,598	22,383

PLN'000	WSE's share of profit / (loss) of associates				
	Three-month period ended			Six-month period ended	
	30 June 2014	31 March 2014	30 June 2013	30 June 2014	30 June 2013
KDPW Group	2,734	4,696	2,898	7,430	7,591
Centrum Gieldowe S.A.	128	171	(52)	299	(96)
Aquis Exchange Ltd *	(2,001)	(901)	-	(2,902)	-
Total	861	3,966	2,846	4,827	7,495

* for Q1 2014 includes the period from 18.02.2014 to 31.03.2014

Source: Condensed Consolidated Interim Financial Statements, Company

2.3.7. Income tax

Income tax of the Group was PLN 5.1 million in Q2 2014 compared to PLN 8.3 million in Q1 2014 and PLN 5.8 million in Q2 2013. The **effective income tax rate** in the quarters under review was 20.1%, 18.0%, and 25.5%, respectively, as compared to the standard Polish corporate income tax rate of 19%.

Income tax **paid** by the Group was PLN 7.2 million in H1 2014 compared to PLN 15.0 million in H1 2013. WSE reported a tax receivable of PLN 7.0 million at the end of H1 2014, which is expected to be offset in the later quarters of 2014.

2.3.8. Group's balance sheet structure

The **balance-sheet total** of the Group stood at PLN 1.2 billion at the end of Q2 2014, an increase of 3.2% compared to the end of Q1 2014 and an increase of 7.2% compared to the end of Q2 2013.

Non-current assets of the Group stood at PLN 587.0 million representing 51% of total assets at the end of Q2 2014 compared to PLN 590.6 million or 53% at the end of Q1 2014 and PLN 568.9 million or 53% at the end of Q2 2013.

The increase of investment in associates was driven by WSE's acquisition of shares of Aquis Exchange Limited. The acquisition of the shares was financed with WSE's own funds. Following the transaction, at the date of preparation of this Report, WSE holds 39.06% of shares of Aquis Exchange giving 32.61% of economic and voting rights. The total value of the acquisition of 39.06% of shares was PLN 25.3 million. As of Q1 2014, Aquis is presented in the consolidated statement of financial position as an associate under investment in associates and is consolidated using equity accounting.

Current assets of the Group stood at PLN 564.8 million representing 49% of total assets at the end of Q2 2014 compared to PLN 525.5 million or 47% at the end of Q1 2014 and PLN 506.0 million or 47% at the end of Q2 2013. The change in the current assets in Q2 2014 was driven among others by the following factors:

- cash flows from operating activities of the Group;
- increase of the assets of the WCCH clearing guarantee system;
- decrease of trade receivables of WSE and PolPX;
- payment of a bond coupon at PLN 4.7 million.

Consolidated statement of financial position of WSE Group at the end of selected quarters, 2013-2014 (assets)

PLN'000	As at					
	30 June 2014	%	31 March 2014	%	30 June 2013	%
Non-current assets	587,013	51%	590,634	53%	568,880	53%
Property, plant and equipment	118,530	10%	121,045	11%	128,000	12%
Intangible assets	264,294	23%	265,932	24%	268,372	25%
Investment in associates	188,674	16%	187,811	17%	154,050	14%
Deferred tax assets	1,341	0%	1,568	0%	3,897	0%
Available-for-sale financial assets	10,706	1%	10,775	1%	11,010	1%
Prepayments	3,468	0%	3,503	0%	3,551	0%
Current assets	564,838	49%	525,507	47%	506,026	47%
Inventories	147	0%	142	0%	176	0%
Corporate income tax receivables	6,974	1%	6,138	1%	3,970	0%
Trade and other receivables	41,115	4%	52,345	5%	40,555	4%
Available-for-sale financial assets	428	0%	272	0%	428	0%
Cash and cash equivalents	516,174	45%	466,610	42%	460,897	43%
<i>incl.: assets of the clearing guarantee system</i>	<i>140,022</i>	<i>12%</i>	<i>107,996</i>	<i>10%</i>	<i>153,723</i>	<i>14%</i>
Total assets	1,151,851	100%	1,116,141	100%	1,074,906	100%

Source: Condensed Consolidated Interim Financial Statements

The **equity** of the Group stood at PLN 696.3 million representing 60% of the Group's total liabilities and equity at the end of Q2 2014 compared to PLN 675.7 million or 61% at the end of Q1 2014 and PLN 584.1 million or 54% at the end of Q2 2013. The lower equity at the end of Q2 2013 was a result of the accounting recognition of WSE's expected dividend payment at PLN 32.7 million (moved from equity to dividend liabilities).

Non-current liabilities of the Group stood at PLN 253.2 million representing 22% of the Group's total equity and liabilities at the end of Q2 2014 compared to PLN 249.6 million or 22% at the end of Q1 2014 and PLN 248.0 million or 23% at the end of Q2 2013. Non-current liabilities of the Group include mainly liabilities of

WSE under issued bonds. The higher deferred tax liability at the end of June 2014 was mainly driven by the difference between the initial tax value and the balance-sheet value of the implemented UTP system (to the extent of intangible assets) and the difference of the amortisation period of the system for balance-sheet and tax purposes.

Current liabilities of the Group stood at PLN 202.3 million and represented 18% of the Group's total equity and liabilities at the end of Q2 2014 compared to PLN 190.9 million or 17% at the end of Q1 2014 and PLN 242.9 million or 23% at the end of Q2 2013. The change in the current liabilities at the end of Q2 2013 was a result of the accounting recognition of WSE's expected dividend payment at PLN 32.7 million (moved from equity to dividend liabilities).

The change in the current liabilities in Q2 was driven among others by the following factors:

- increase of liabilities of the WCCH clearing guarantee system;
- payment of a bond coupon at PLN 4.7 million;
- decrease of VAT liabilities of the PolPX Group (in respect of market coupling and change of the relationship between energy purchase and sale transactions with EU members).

Consolidated statement of financial position of WSE Group at the end of selected quarters, 2013-2014 (equity and liabilities)

PLN'000	As at					
	30 June 2014	%	31 March 2014	%	30 June 2013	%
Equity	696,280	60%	675,692	61%	584,102	54%
Share capital	63,865	6%	63,865	6%	63,865	6%
Other reserves	1,643	0%	1,249	0%	1,920	0%
Retained earnings	629,756	55%	609,436	55%	517,159	48%
Non-controlling interests	1,016	0%	1,142	0%	1,158	0%
Non-current liabilities	253,239	22%	249,563	22%	247,950	23%
Employee benefits payable	4,447	0%	4,452	0%	4,284	0%
Finance lease liabilities	296	0%	284	0%	279	0%
Liabilities under bond issue	243,848	21%	243,733	22%	243,387	23%
Deferred income tax liability	4,648	0%	1,094	0%	-	0%
Current liabilities	202,332	18%	190,886	17%	242,855	23%
Trade payables	6,967	1%	3,763	0%	3,518	0%
Finance lease liabilities	265	0%	338	0%	364	0%
Corporate income tax payable	754	0%	1,990	0%	298	0%
Liabilities under bond issue	-	0%	2,336	0%	6,419	1%
Dividends and other liabilities	182,833	16%	171,327	15%	218,905	20%
<i>incl. liabilities of the clearing guarantee system</i>	<i>140,022</i>	<i>12%</i>	<i>107,996</i>	<i>10%</i>	<i>153,723</i>	<i>14%</i>
Employee benefits payable	10,254	1%	9,240	1%	11,997	1%
Provisions for other liabilities and charges	1,259	0%	1,892	0%	1,354	0%
Total equity and liabilities	1,151,851	100%	1,116,141	100%	1,074,906	100%

Source: Condensed Consolidated Interim Financial Statements

2.3.9. Cash flows

The Group generated positive cash flows from **operating activities** at PLN 98.3 million in H1 2014 compared to PLN 142.7 million in H1 2013. The higher cash flows from operating activities in H1 2013 were mainly driven by changes in the working capital resulting from the impact of the PolPX Group.

The cash flows from **investing activities** were negative at PLN 14.0 million in H1 2014, mainly driven by WSE's acquisition of the second tranche of shares of Aquis Exchange Ltd for PLN 15.2 million (GBP 3.0 million). The cash flows from investing activities were negative at PLN 61.4 million in H1 2013 and were mainly driven by WSE's capital expenditure for the acquisition of the new trading system UTP.

The cash flows from **financing activities** were negative at PLN 5.2 million in H1 2014, mainly driven by payment of a WSE bond coupon at PLN 4.7 million. The cash flows from financing activities in H1 2013 were marginal and related to the payment of WCCH's revolving loan.

Consolidated cash flows of WSE Group in H1, 2013-2014

PLN'000	For the six-month period ended 30 June	
	2014	2013
Cash flows from operating activities	98,317	142,661
Cash flows from investing activities	(14,043)	(61,388)
Cash flows from financing activities	(5,174)	(13)
Net increase / (decrease) in cash and cash equivalents	79,100	81,260
<i>Impact of change of fx rates on cash balances in foreign currencies</i>	243	754
Cash and cash equivalents - opening balance	436,831	378,883
Cash and cash equivalents - closing balance	516,174	460,897

Source: Condensed Consolidated Interim Financial Statements

2.3.10. Capital expenditure

The Group's total capital expenditure amounted to PLN 4.1 million in H1 2014 including expenditure for property, plant and equipment at PLN 2.2 million and expenditure for intangible assets at PLN 1.9 million. By comparison, the Group's total capital expenditure amounted to PLN 67.0 million in H1 2013 including expenditure for property, plant and equipment at PLN 2.8 million and expenditure for intangible assets at PLN 64.2 million. The expenditure included mainly the new trading system UTP.

The value of (contracted) future investment commitments of WSE was PLN 10.9 million as at 30 June 2014.

2.3.11. Seasonality and cyclicity of operations

Share prices and the value of trading are significantly influenced by local, regional and global trends impacting the capital markets, which determine the number and size of new issues of financial instruments and the activity of investors on WSE. As a result, the revenue of the Group is cyclical.

Trading in certificates of origin on PolPX is subject to some seasonality. The volume of trade in property rights on the property rights market operated by PolPX is largely determined by the obligation imposed on energy companies which sell electricity to final consumers and have to redeem, by 31 March of each year, a certain quantity of certificates of origin from the previous year. The percentage of certificates of origin which must be redeemed is fixed for every year in regulations of the Minister of the Economy.

The issuance of certificates of origin also intensifies in Q1 and in Q4 of the year. Certificates of origin are subject to mandatory redemption within time limits set in the energy market regulations.

Trading in energy on the Commodity Derivatives Market operated by PolPX is not distributed evenly over the year. It is seasonal in that trading is relatively low in the first half of the year compared to the second half of the year. This is because the supply side is awaiting information about the costs of electricity generation (including the cost of fuel) in the first half of the year. The demand side, in turn, needs time to determine its demand for the next year based on the demand of its clients.

2.3.12. Key factors impacting results in the horizon of at least one quarter

POTENTIAL CO-OPERATION WITH THE EXCHANGE GROUP CEESEG

WSE is currently working to assess the feasibility of co-operation with the exchange group CEESEG. No decision concerning co-operation with CEESEG was made by the date of publication of this report.

EXTENDED SUPPORT FOR COGENERATION

The President of Poland signed into law an act extending support for cogeneration on 7 April 2014. The act of 14 March 2014 extends until 30 June 2019 the support system for the production of power and heat in all types of high-efficiency cogeneration including gas-fired units and units with a total installed electric capacity under 1 MW fired with methane or gas from biomass processing as well as other cogeneration units.

The entry into force of the new act may have a positive impact on the value of trading on the market in property rights in certificates of origin of electricity, higher fees charged for the operation of the register of certificates of origin of electricity and fees for clearing of transactions in cogeneration certificates, and consequently on the revenue of the PolPX Group in the coming quarters.

CAPITAL EXPENDITURE FOR THE IMPLEMENTATION OF UTP-DERIVATIVES

The implementation of a UTP derivatives trading module (UTP-Derivatives) depends, among others, on the outcome of negotiations concerning co-operation with CEESEG.

INTRODUCTION OF AN OBLIGATION ON THE GAS MARKET

New regulations effective as of September 2013 require companies which trade in gas to sell a certain part of the volume supplied to the industrial network on an exchange. The amendment of the energy law by the “small energy legislation tri-pack” imposes the obligation to sell a proportion of gas on the exchange, equal to 40% until the end of 2014 and 55% as of 2015. The coming into force of this obligation may have a positive impact on the value of trading on the gas market and, consequently, the revenue of PolPX in subsequent quarters.

PENSION FUND REFORM

Open-ended pension funds have played an important role in the development of the capital market and the market of Treasury and non-Treasury bonds in Poland. Major modifications to the pension fund system may have a significant effect on future financial results of the WSE Group. A more detailed description of the impact of the pension system reform is presented in the section on risks.

ACTIVITY OF INVESTORS ON THE WIG20 FUTURES MARKET

In the coming months, WSE may report a decrease of revenue from trading in derivatives following the decision to cease trading of WIG20 futures contracts with a multiplier of PLN 10 (a class of WIG20 futures contracts with a multiplier of PLN 20 remains in trading). The decision of WSE to replace the futures contracts with a multiplier of PLN 10 with futures contracts with a multiplier of PLN 20 aims to stimulate the activity of investors present on that market and to attract new investors to the market mainly through a sharp reduction of transaction costs in relation to the value of a futures contract.

ACQUISITION OF SHARES OF AQUIS EXCHANGE LTD.

Under an agreement of 19 August 2013, WSE took up 384,025 new issue shares of Aquis Exchange Ltd. with its registered office in the UK. At the date of preparation of this Report, WSE holds 39.06% of shares giving 32.61% of rights attached to the shares of Aquis Exchange Ltd. The total price of the acquisition of Aquis Exchange by WSE was GBP 5.0 million. Aquis launched operations in Q4 2013. Consequently, revenue generated by the entity in the early periods may not cover its expenses. The goal of the investment is to increase the diversification of the WSE Group's revenue sources and to strengthen WSE's brand and role on the international financial markets.

2.3.13. Other material information

CHANGES ON THE WSE MANAGEMENT BOARD AND SUPERVISORY BOARD

On 26 June 2014, at the request of the State Treasury, a shareholder representing 35.00% of the WSE share capital, the WSE General Meeting resolved to appoint Mr. Paweł Tamborski as President of the WSE Management Board for a new term of office.

The decision has entered into force on the day of delivery to the Company of a decision of the Polish Financial Supervision Authority approving the change on the WSE Management Board and the receipt by Mr. Paweł Tamborski of the consent of the Committee for the Review of Requests for Consent for Employment of Persons Who Performed Public Functions appointed by the Prime Minister but not earlier than the date of the approval of the financial statements of the Warsaw Stock Exchange for 2013 by the Ordinary General Meeting.

With reference to Current Report No. 8/2014 dated 26 June 2014, WSE announced that on 8 July 2014 it was informed that Mr. Paweł Tamborski received the consent of the Committee for the Review of Requests for Consent for Employment of Persons Who Performed Public Functions appointed by the Prime Minister for his employment at the Company as President of the Management Board. This fulfilled the first condition for the employment of Mr. Paweł Tamborski at the Company as President of the Management Board.

On 24 July 2014, WSE received the decision of the Polish Financial Supervision Authority approving the change on the WSE Management Board consisting in the appointment of Mr. Paweł Tamborski as President of the Company's Management Board. This fulfilled the second condition under the Resolution of the WSE General Meeting of 26 June 2014 appointing the President of the WSE Management Board for a new term of office.

As a result of the WSE Ordinary General Meeting's approval of the Company's financial statements for the year 2013, Resolution No. 3 of the WSE Ordinary General Meeting dated 26 June 2014, appointing Mr. Paweł

Tamborski as the President of the Exchange Management Board for a new term of office, has entered into force on 25 July 2014.

On 25 July 2014, the WSE Ordinary General Meeting has appointed the following persons to the Exchange Supervisory Board:

- Mr. Dariusz Kacprzyk;
- Mr. Jacek Lewandowski;
- Mr. Piotr Piłat;
- Mr. Wiesław Rozłucki, PhD;
- Mr. Marek Słomski, PhD;
- Mr. Marek Wierzbowski, Prof.

On 25 July 2014, the Supervisory Board of The WSE decided to:

- appoint Mr. Dariusz Kułakowski as a Vice-President for Information and Technology (CIO);
- appoint Mr. Karol Półtorak as a Vice-President for Finance (CFO);
- appoint Mr. Mirosław Szczepański as a Vice-President for Operations (COO);
- appoint Mr. Grzegorz Zawada as a Vice-President for Strategy and Development (CSO).

For Mr. Karol Półtorak and Mr. Grzegorz Zawada, the decision will enter into force on the date of delivery of the approvals of the Polish Financial Supervision Authority for the changes on the Exchange Management Board.

For Mr. Dariusz Kułakowski and Mr. Mirosław Szczepański, the Resolution of the Exchange Supervisory Board enters into force on the date of adoption, i.e., 25 July 2014.

DIVIDEND

On 16 April 2014, the WSE Supervisory Board gave its positive opinion on the proposal of the WSE Management Board concerning 2013 profit distribution providing for a dividend payment of PLN 50,366.4 thousand (PLN 1.20 per share) representing 49.68% of the Company's net profit for the financial year 2013. At the same time, pursuant to the WSE's dividend policy, the amount represents 49.96% of the consolidated net profit of the WSE Group for the financial year 2013 attributable to the shareholders of the Company adjusted for share of profit of associates.

In connection with the adjournment of the WSE Ordinary General Meeting convened on 26 June 2014 and continued on 15 July 2014 and with reference to relevant Current Reports, the WSE Management Board announced that, in view of KDPW's dividend payment procedures, it intended to recommend to the Company's Ordinary General Meeting a new dividend record date and a new dividend payment date for the dividend from the Company's net profit for 2013. The recommendation of the WSE Management Board is to set 7 August 2014 as the dividend record date and 26 August 2014 as the dividend payment date.

On 25 July 2014 the WSE Ordinary General Meeting took a resolution on distribution of the Company's 2013 net profit. The Ordinary General Meeting resolved to allocate the amount of PLN 50,366.4 thousand for the dividend payment. The dividend is PLN 1.20 per share. The number of shares covered by the dividend is 41,972,000. Simultaneously, the Ordinary General Meeting set the dividend record date for 7 August 2014 and the dividend payment date for 26 August 2014.



Pursuant to Resolution No. 4 of the Ordinary General Meeting dated 21 June 2013, the parent entity allocated PLN 32,738 thousand of the 2012 profit for dividend. The dividend was paid on 26 July 2013. The dividend per share was PLN 0.78.

INFORMATION ABOUT ISSUE AND REDEMPTION OF NON-EQUITY AND EQUITY SECURITIES

On 23 December 2011, WSE issued 1,700,000 Series A bearer bonds with a total nominal value of PLN 170 million. On 15 February 2012, WSE issued 750,000 Series B bearer bonds with a total nominal value of PLN 75 million. The value of the Series B bond offering was PLN 75,682,500. Both bond series are due for redemption on 2 January 2017. The bonds bear interest at a floating rate equal to WIBOR 6M +1.17%, interest is paid semi-annually.

CONTINGENT LIABILITIES AND INVESTMENT COMMITMENTS

On 18 February 2014, the Regional Administrative Court in Warsaw gave a decision in case no. III SA/Wa 1230/13 whereby it dismissed a complaint of the Warsaw Commodity Clearing House ("WCCH") against an individual interpretation given by the Director of the Tax Chamber in Warsaw. In its decision, the Court confirmed the position of the Ministry of Finance presented in the interpretation whereby WCCH is not legally allowed to use an exemption for its services, i.e., clearing and settlement of forward transactions in electricity, within the meaning of the Value Added Tax Act ("VAT Act"). In the light of the interpretation and the oral and written justification presented by the Court, such services should be classified as technical services and, consequently, taxed at the basic VAT rate (currently 23%).

In view of the foregoing, WCCH has filed a cassation complaint with the Supreme Court of Administration within the time limit required under procedural law. In the opinion of the WCCH Management Board, the decision does not address the merits of WCCH's complaint and is based on an erroneous interpretation of facts. The position of WCCH is also underpinned by the long-time practice of the Tax Chamber which has applied a VAT exemption with respect to the services outlined in the complaint. In its cassation complaint, in addition to the aforementioned arguments, WCCH has filed a request for a prejudicial question to be asked by the national court (Supreme Court of Administration) of the Court of Justice of the European Union ("CJEU").

The Condensed Consolidated Interim Financial Statements for the six-month period ended 30 June 2014 do not include any adjustments to WCCH's VAT balances. However, if the decision of the Regional Administrative Court is upheld by the bench of the Supreme Court of Administration, WCCH would be required to pay interest on overdue VAT payments, estimated at PLN 1,338 thousand as at 30 June 2014 (interest estimated at PLN 877 thousand as at 31 December 2013). At the same time, WCCH could adjust VAT invoices issued to its members for transactions concluded as of 1 January 2011, i.e., the effective date of the regulations under which the individual interpretation was issued, pursuant to § 56(2) of the WCCH Rules.

The Group had no other contingent liabilities and investment commitments at 30 June 2014.

PENDING LITIGATION

According to the Company's best knowledge, there is no litigation pending against the parent entity or other companies of the Group before a court, an arbitration body or a public administration body concerning liabilities or debt with a value of at least 10% of the Company's equity.

RELATED PARTY TRANSACTIONS

In June 2014, WSE sold a Microsoft Dynamics AX licence to WSE Commodities for PLN 100. The net book value of the licence on WSE's books at the sale date was PLN 318 thousand. The transaction was closed in keeping with the tax regulations applicable between members of a tax group.



In June 2014, WSE granted a short-term loan of PLN 400 thousand to the subsidiary WSEInfoEngine S.A. The purpose of the loan is to finance the company's current business. The interest on the loan is 7.0% p.a. The loan was granted for a term of three months.

In H1 2014, WSE and the related parties of WSE did not make any other significant transactions on terms other than market terms.

GUARANTIES AND SURETIES GRANTED

On 1 April 2014, WSE and the Polish Power Grid Company signed a surety agreement concerning due performance of the obligations of the subsidiary WSEInfoengine S.A. under electricity purchase and sale contracts concluded on the balancing market. The liability of WSE as surety provider is limited to no more than PLN 1.0 million.

The Group granted and accepted no other guarantees and sureties in H1 2014.

FEASIBILITY OF PREVIOUSLY PUBLISHED FORECASTS

The Group did not publish any forecasts of 2014 results.

EVENTS AFTER THE BALANCE-SHEET DATE WHICH COULD SIGNIFICANTLY IMPACT THE FUTURE FINANCIAL RESULTS OF THE ISSUER

In the following quarter WSE will incur additional personal costs in relation with current board composition changes dated on 25 July 2014. As a result additional personal costs will amount to PLN 2.0 million and will include in particular compensation under a non-compete clause paid to former Members of the Management Board of the WSE.

There were no other events after the balance-sheet date which could significantly impact the future financial results of the issuer.

OTHER MATERIAL INFORMATION

In the opinion of the Company, in the first six months of 2014, there were no significant events or circumstances, other than those presented in this quarterly Report, which would be material to an evaluation of the Company's or the Group's position with regard to its human resources, assets, financial standing, financial results and capacity to meet obligations.



3. Appendices:

Condensed Consolidated Interim Financial Statements for the six-month period ended 30 June 2014 and the auditor's review report

Condensed Separate Interim Financial Statements for the six-month period ended 30 June 2014 and the auditor's review report

Management Board statements



KPMG Audyt
Spółka z ograniczoną
odpowiedzialnością sp.k.
ul. Chłodna 51
00-867 Warszawa
Poland

Telefon +48 22 528 11 00
Fax +48 22 528 10 09
E-mail kpmg@kpmg.pl
Internet www.kpmg.pl

This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.

**INDEPENDENT AUDITORS' REPORT
ON REVIEW OF THE INTERIM CONDENSED
CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE PERIOD
FROM 1 JANUARY 2014 TO 30 JUNE 2014**

To the Shareholders of Giełda Papierów Wartościowych w Warszawie S.A.

Introduction

We have reviewed the accompanying 30 June 2014 condensed consolidated interim financial statements of Grupa Kapitałowa Giełdy Papierów Wartościowych w Warszawie S.A., with its parent company's registered office in Warsaw, ul. Książęca 4 ("the condensed consolidated interim financial statements"), which comprise:

- the consolidated statement of financial position as at 30 June 2014,
- the consolidated statements of comprehensive income for the three-month period and six-month period ended 30 June 2014,
- the consolidated statement of changes in equity for the six-month period ended 30 June 2014,
- the consolidated statement of cash flows for the six-month period ended 30 June 2014, and
- notes to the interim consolidated financial statements.

Management of the Parent Entity is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with the IAS 34 *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements, based on our review.



Scope of Review

We conducted our review in accordance with the National Standard on Auditing no. 3 *General principles of review of the financial statements/condensed financial statements and conducting of other assurance services* issued by the National Council of Certified Auditors and the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with national standards on auditing and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2014 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
registration number 3546
ul. Chłodna 51, 00-867 Warsaw

Signed on the Polish original

.....
Bogdan Dębicki
Key Certified Auditor
Registration No. 796
Member of the Management Board of
KPMG Audyt Sp. z o.o.
General Partner of KPMG Audyt Spółka
z ograniczoną odpowiedzialnością sp.k.

24 July 2014

Signed on the Polish original

.....
Marlena Brzezińska
Certified Auditor
Registration No. 12755



WARSAW
STOCK
EXCHANGE

Condensed Consolidated Interim
Financial Statements of
the Giełda Papierów Wartościowych
w Warszawie S.A. Group
for the Six-month Period Ended
30 June 2014



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(all amounts in PLN'000 unless otherwise stated)

Consolidated Statement of Financial Position

	Note	As at	
		30 June 2014 (unaudited)	31 December 2013
Non-current assets		587,013	576,421
Property, plant and equipment	3	118,530	124,042
Intangible assets	4	264,294	269,155
Investment in associates	5	188,674	158,540
Deferred tax assets	10	1,341	-
Available-for-sale financial assets	6	10,706	20,955
Prepayments		3,468	3,729
Current assets		564,838	482,707
Inventories		147	166
Corporate income tax receivable		6,974	10,797
Trade and other receivables		41,115	34,792
Available-for-sale financial assets	6	428	118
Other current financial assets		-	3
Cash and cash equivalents	8	516,174	436,831
<i>including Guarantee Funds</i>		<i>140,022</i>	<i>125,326</i>
TOTAL ASSETS		1,151,851	1,059,128
Equity		696,280	638,105
Equity of the shareholders of the parent entity		695,264	636,985
Share capital		63,865	63,865
Other reserves		1,643	1,278
Retained earnings		629,756	571,842
Non-controlling interests		1,016	1,120
Non-current liabilities		253,239	249,578
Employee benefits payable	7	4,447	4,456
Finance lease liabilities		296	439
Liabilities on bonds issue	9	243,848	243,617
Deferred tax liability	10	4,648	1,066
Current liabilities		202,332	171,445
Trade payables		6,967	12,738
Finance lease liabilities		265	365
Corporate income tax payable		754	657
Liabilities on bonds issue	9	-	-
Dividends and other liabilities		182,833	144,035
<i>including Guarantee Funds</i>		<i>140,022</i>	<i>125,326</i>
Employee benefits payable	7	10,254	11,511
Provisions for other liabilities and charges	7	1,259	2,139
TOTAL EQUITY AND LIABILITIES		1,151,851	1,059,128

The attached Notes are an integral part of these Condensed Consolidated Interim Financial Statements.



(all amounts in PLN'000 unless otherwise stated)

Consolidated Statement of Comprehensive Income

	Note	Three-month period ended 30 June		Six-month period ended 30 June	
		2014 (unaudited)	2013 (unaudited)	2014 (unaudited)	2013 (unaudited)
Revenue	15	69,255	64,557	155,762	143,915
Operating expenses		(44,409)	(44,030)	(88,346)	(80,875)
Other income		477	232	698	1,498
Other expenses		(1,048)	(82)	(1,953)	(811)
Operating profit		24,275	20,677	66,161	63,727
Financial income		2,972	2,790	5,529	7,015
Financial expenses		(2,584)	(3,520)	(5,105)	(6,864)
Share of profit of associates		861	2,846	4,827	7,495
Profit before income tax		25,524	22,792	71,412	71,373
Income tax expense	10	(5,119)	(5,808)	(13,391)	(12,328)
Net profit for the period		20,405	16,984	58,021	59,045
Other comprehensive income:					
Income to be reclassified as gains or losses		395	113	366	2,919
<i>Net change of fair value of available-for-sale financial assets</i>		(20)	(28)	(88)	(88)
<i>Effective portion of change of fair value of cash flow hedges</i>		(18)	286	23	3,415
<i>Gains/(losses) from the valuation of available-for-sale financial assets of the associate</i>		433	(145)	431	(408)
Other comprehensive income after tax		395	113	366	2,919
Total comprehensive income		20,800	17,097	58,387	61,964
Net profit for the period		20,405	16,984	58,021	59,045
Net profit for the period attributable to the shareholders of the parent entity		20,320	16,883	57,914	58,850
Net profit for the period attributable to the non-controlling interests		85	101	107	195
Total comprehensive income:		20,800	17,097	58,387	61,964
Total comprehensive income for the period attributable to the shareholders of the parent entity		20,715	16,996	58,280	61,769
Total comprehensive income for the period attributable to the non-controlling interests		85	101	107	195
Basic/diluted earnings per share (in PLN)		0.48	0.40	1.38	1.40

The attached Notes are an integral part of these Condensed Consolidated Interim Financial Statements.



(all amounts in PLN'000 unless otherwise stated)

Consolidated Statement of Cash Flows

	Note	Six-month period ended 30 June	
		2014 (unaudited)	2013 (unaudited)
Net cash flows from operating activities:		98,317	142,661
Proceeds from operating activities before taxation		105,531	157,680
Net profit for the period		58,021	59,045
Adjustments:		47,510	98,635
Income tax	10	13,391	12,328
Depreciation of property, plant and equipment		7,626	6,221
Amortisation of intangible assets		6,702	5,378
(Profit) / Loss on fx differences		(243)	(754)
(Profit) / Loss on sale of property, plant and equipment and intangible assets		(17)	(126)
Financial (income) / expense of available-for-sale financial assets		(297)	(336)
Income from interest on deposits		(4,667)	(5,043)
Interest and premium on issued bonds		4,959	6,419
Share of profit (loss) of associates		(4,827)	(7,495)
Net change of provisions for other liabilities and charges		(880)	-
Other		57	6,044
Change in current assets and liabilities:		25,706	75,999
<i>(Increase) / Decrease of inventories</i>		19	77
<i>(Increase) / Decrease of trade and other receivables and prepayments</i>		(6,061)	26,338
<i>Increase / (Decrease) of trade and other payables</i>		33,015	50,182
<i>Increase / (Decrease) of employee benefits payable</i>		(1,267)	(598)
Income tax paid		(7,214)	(15,019)

The attached Notes are an integral part of these Condensed Consolidated Interim Financial Statements.

*(all amounts in PLN'000 unless otherwise stated)***Consolidated Statement of Cash Flows, continued**

	Note	Six-month period ended 30 June	
		2014 (unaudited)	2013 (unaudited)
Cash flows from investing activities:		(14,043)	(61,388)
Purchase of property, plant and equipment		(2,219)	(2,813)
Purchase of intangible assets		(1,842)	(64,206)
Proceeds from sale of property, plant and equipment and intangible assets		122	60
Acquisition of shares of the associate	5	(15,202)	-
Interest received		4,667	5,043
Dividends received		431	528
Cash flows from financing activities:		(5,174)	(13)
Paid dividend		(202)	-
Paid interest		(4,729)	-
Financial leases repayments		(243)	-
Loans repayments		-	(13)
Net increase in cash and cash equivalents		79,100	81,260
<i>Impact of change of fx rates on cash balances in foreign currencies</i>		243	754
Cash and cash equivalents - opening balance		436,831	378,883
Cash and cash equivalents - closing balance		516,174	460,897

The attached Notes are an integral part of these Condensed Consolidated Interim Financial Statements.

(all amounts in PLN'000 unless otherwise stated)

Consolidated Statement of Changes in Equity

	Attributable to the shareholders of the parent entity				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total		
As at 31 December 2013	63,865	1,278	571,842	636,985	1,120	638,105
Dividend	-	-	-	-	(211)	(211)
Sum of transactions with owners recognised directly in equity	-	-	-	-	(211)	(211)
Net profit for the six-month period ended 30 June 2014	-	-	57,914	57,914	107	58,021
Income to be reclassified as gains or losses	-	366	-	366	-	366
<i>Net change of fair value of available-for-sale financial assets</i>	-	(88)	-	(88)	-	(88)
<i>Effective portion of change in fair value of cash flow hedges</i>	-	23	-	23	-	23
<i>Revaluation of available-for-sale financial assets of an associate</i>	-	431	-	431	-	431
Total comprehensive income for the six-month period ended 30 June 2014	-	366	57,914	58,280	107	58,387
As at 30 June 2014 <i>(unaudited)</i>	63,865	1,644	629,756	695,265	1,016	696,281
As at 31 December 2012	63,865	(1,000)	491,647	554,512	1,377	555,889
Dividend	-	-	(32,738)	(32,738)	(414)	(33,152)
Sum of transactions with owners recognised directly in equity	-	-	(32,738)	(32,738)	(414)	(33,152)
Acquisition of non-controlling interests	-	-	(137)	(137)	(76)	(213)
Change of interest in subsidiaries	-	-	(137)	(137)	(76)	(213)
Other changes in equity	-	-	(240)	(240)	-	(240)
Net profit for the year ended 31 December 2013	-	-	113,310	113,310	233	113,543
Income to be reclassified as gains or losses	-	2,278	-	2,278	-	2,278
<i>Net change of fair value of available-for-sale financial assets</i>	-	(167)	-	(167)	-	(167)
<i>Effective portion of change in fair value of cash flow hedges</i>	-	3,121	-	3,121	-	3,121
<i>Revaluation of available-for-sale financial assets of an associate</i>	-	(677)	-	(677)	-	(677)
Total comprehensive income for the year ended 31 December 2013	-	2,278	113,310	115,588	233	115,821
As at 31 December 2013	63,865	1,278	571,842	636,985	1,120	638,105



(all amounts in PLN'000 unless otherwise stated)

Consolidated Statement of Changes in Equity, continued

	Attributable to the shareholders of the parent entity				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total		
As at 31 December 2012	63,865	(1,000)	491,647	554,512	1,377	555,889
Dividend	-	-	(33,338)	(33,338)	(414)	(33,752)
Sum of transactions with owners recognised directly in equity	-	-	(33,338)	(33,338)	(414)	(33,752)
Net profit for the six-month period ended 30 June 2013	-	-	58,850	58,850	195	59,045
Income to be reclassified as gains or losses	-	2,919	-	2,919	-	2,919
<i>Net change of fair value of available-for-sale financial assets</i>	-	(88)	-	(88)	-	(88)
<i>Effective portion of change in fair value of cash flow hedges</i>	-	3,415	-	3,415	-	3,415
<i>Revaluation of available-for-sale financial assets of an associate</i>	-	(408)	-	(408)	-	(408)
Total comprehensive income for the six-month period ended 30 June 2013	-	2,919	58,850	61,769	195	61,964
As at 30 June 2013 <i>(unaudited)</i>	63,865	1,919	517,159	582,943	1,158	584,101

The attached Notes are an integral part of these Condensed Consolidated Interim Financial Statements.



(all amounts in PLN'000 unless otherwise stated)

Notes to the Condensed Consolidated Interim Financial Statements

1. General

1.1. Legal status and scope of operations of the entity

The parent entity of the Giełda Papierów Wartościowych w Warszawie S.A. Group (“the Group”) is Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna (“Warsaw Stock Exchange”, “the Exchange”, “WSE” or “the Company”) with its registered office in Warsaw, ul. Książęca 4. The Company was established by Notarial Deed on 12 April 1991 and registered with the Commercial Court in Warsaw on 25 April 1991, KRS no. 0000082312, NIP no. 526-025-09-72, Regon no. 012021984. WSE has been listed on the WSE Main Market since 9 November 2010.

The core activities of the Group include organising exchange trading in financial instruments and activities related to such trading. At the same time, the Exchange pursues activities in education, promotion and information concerning the capital market and organises an alternative trading system. The Group is active on the following markets:

- **WSE Main Market** (trade in equities, other equity-related financial instruments and other cash markets instruments as well as derivatives);
- **NewConnect** (trade in equities and other equity-related financial instruments of small and medium-sized enterprises);
- **Catalyst** (trade in corporate, municipal, co-operative, Treasury and mortgage bonds operated by WSE and BondSpot);
- **Treasury BondSpot Poland** (wholesale trade in Treasury bonds operated by BondSpot).

Since Q1 2012, the Group also organizes and operates trade on the markets operated by Towarowa Giełda Energii S.A. (“the Polish Power Exchange”, “PolPX”):

- **Energy Markets** (Intra-Day Market, Day-Ahead Market, Commodity Forward Instruments Market, Electricity Auctions);
- **Gas Market** (trade in natural gas with physical delivery on the Intra-Day Market and the Commodity Derivatives Market);
- **Property Rights Market** (trade in property rights under certificates of origin of electricity);
- **CO2 Emission Allowances Market** (trade in CO2 emission allowances);
- **Warsaw Commodity Clearing House** (performs the functions of exchange clearing house of transactions in exchange derivatives).

In Q4 2013, WSEInfoEngine S.A., a subsidiary of WSE, opened InfoEngineOTC, an OTC commodity trade platform. Commodity trading (in the first phase, trading in electricity and certificates of origin) is supported by the special electronic platform (electronic ask and bid matching system) called GlobalVision which was developed by Trayport. WSEInfoEngine S.A. also provides the services of trade operator and, as of Q1 2014, performs the functions of entity responsible for balancing.

WSE is also present in Ukraine through the Warsaw Stock Exchange Representation Office and in London through an appointed permanent representative of WSE whose mission is to support acquisition on the London market, in particular the acquisition of new investors and Exchange Members.



(all amounts in PLN'000 unless otherwise stated)

1.2. Approval of the financial statements

These Condensed Consolidated Interim Financial Statements were approved for publication by the Management Board of the parent entity on 24 July 2014.

1.3. Composition and activity of the Group

The Warsaw Stock Exchange and its subsidiaries:

- Towarowa Giełda Energii S.A. Group (Polish Power Exchange Group),
- BondSpot S.A.,
- WSEInfoEngine S.A.,
- Instytut Rynku Kapitałowego – WSE Research S.A.,
- WSE Commodities S.A.
- Instytut Analiz i Ratingu S.A.

comprise the Warsaw Stock Exchange Group.

The following are the associates over which the Group exerts significant influence: Centrum Giełdowe S.A., KDPW S.A. Group, Aquis Exchange Limited.

As a result of WSE taking up the second tranche of shares of Aquis Exchange Limited in February 2014, the company became WSE's associate (Note 5).

In June 2014, WSE set up the subsidiary Instytut Analiz i Ratingu S.A. (IAiR). The mission of IAiR is to fill a gap in the domestic rating offer in the segment of small and medium-sized companies. The company is expected to start issuing ratings in 2015.

2. Basis of preparation of the financial statements and summary of significant accounting policies

These Condensed Consolidated Interim Financial Statements of the Warsaw Stock Exchange Group have been prepared according to the International Accounting Standard 34 "Interim Financial Reporting" approved by the European Union.

These Condensed Consolidated Interim Financial Statements have been prepared on the assumption that the Group will continue as a going concern in the foreseeable future. As at the date of preparation of these Condensed Consolidated Interim Financial Statements, in the opinion of the Management Board of the parent entity, there are no circumstances indicating any threats to the Group's ability to continue operations.

The Company has prepared the Condensed Consolidated Interim Financial Statements in accordance with the same accounting policies as those described in the Consolidated Financial Statements for the year ended 31 December 2013 other than for changes described below. The Condensed Consolidated Interim Financial Statements as at 30 June 2014 should be read in conjunction with the audited Consolidated Financial Statements for the year ended 31 December 2013.

The following amendments to existing standards and new standards adopted by the European Union are effective for the Group's financial statements for the financial year starting on 1 January 2014:

- 1) IFRS 10 Consolidated Financial Statements,
- 2) IFRS 11 Joint Arrangements,
- 3) IFRS 12 Disclosure of Interests in Other Entities,
- 4) IAS 27 (2011) Separate Financial Statements,
- 5) IAS 28 (2011) Investments in Associates and Joint Ventures,



(all amounts in PLN'000 unless otherwise stated)

- 6) Amendments to IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities,
- 7) Amendments to IFRS 10, IFRS 11 and IFRS 12: Consolidated Financial Statements, Joint Arrangements, Disclosure of Interests in Other Entities,
- 8) Amendments to IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting,
- 9) Amendments to IAS 36 Impairment of Assets – Recoverable Amount Disclosures for Non-financial Assets.

The application of the new IFRS 12 as of 1 January 2014 will increase the number of required disclosures relating to interest in other entities to be presented in the Consolidated Financial Statements for the year ended 31 December 2014

According to the Group's assessment, the amendments to other standards have no material impact on the Condensed Consolidated Interim Financial Statements.

The critical accounting estimates and judgements used by the Management Board of the parent entity in the application of the Group's accounting policy and the key sources of uncertainty were the same as those used in the Consolidated Financial Statements as at 31 December 2013.

3. Property, plant and equipment

The Group purchased property, plant and equipment of PLN 2,219 thousand in the period from 1 January 2014 to 30 June 2014 (PLN 3,059 thousand in the period from 1 January 2013 to 30 June 2013).

The Group sold property, plant and equipment of PLN 105 thousand in the period from 1 January 2014 to 30 June 2014 (PLN 311 thousand in the period from 1 January 2013 to 30 June 2013).

The Group did not liquidate property, plant and equipment in the period from 1 January 2014 to 30 June 2014 (PLN 1,585 thousand in the period from 1 January 2013 to 30 June 2013).

4. Intangible assets

The Group purchased intangible assets of PLN 1,842 thousand in the period from 1 January 2014 to 30 June 2014 (PLN 64,292 thousand in the period from 1 January 2013 to 30 June 2013).

The Group did not sell intangible assets in the period from 1 January 2014 to 30 June 2014 (PLN 85 thousand in the period from 1 January 2013 to 30 June 2013).

Contracted investment commitments for intangible assets amounted to PLN 10,930 thousand as at 30 June 2014 and related to the UTP-Derivatives, CRM and fixed assets counting system of WSE, the billing system of BondSpot S.A. (PLN 10,620 thousand as at 31 December 2013 and related to the UTP-Derivatives system of WSE and the billing system of BondSpot S.A.).

5. Investment in associates

On 19 August 2013, the WSE Management Board signed an agreement with Aquis Exchange Limited concerning acquisition of new issue shares of Aquis Exchange Limited. Aquis Exchange is registered in the UK. It was established in 2012 and offers a pan-European market in equities as a multilateral trading facility.

The price of the first subscription for 153,609 shares in August 2013 was PLN 10,105 thousand (GBP 2 million). On 12 February 2014, WSE was authorised by UK's Financial Conduct Authority (FCA) to increase its stake in Aquis Exchange Limited to between 30% and 50% of shares or votes.

On 18 February 2014, WSE was notified by Aquis Exchange Limited of the allocation of 230,416 shares of Aquis Exchange Limited to WSE for a price of PLN 15,202 thousand (GBP 3 million).



(all amounts in PLN'000 unless otherwise stated)

Following WSE's taking up the second tranche of shares of Aquis Exchange Limited, the company became an associate.

As at 30 June 2014, the Company holds 384,025 ordinary shares of Aquis Exchange Limited acquired for PLN 25,307 thousand (GBP 5 million), representing 39.06% of shares and giving 32.61% of economic and voting rights in Aquis Exchange Limited. As at 30 June 2014 the shares of Aquis Exchange Limited as an associate of the WSE Group are recognised using equity accounting as at 30 June 2014 and amounted to PLN 22,405 thousand.

The loss of Aquis Exchange Limited amounted to PLN 8,898 thousand in the period from 18 February 2014 to 30 June 2014. The share of WSE in the loss of the associate Aquis Exchange Limited amounted to PLN 2,902 thousand as at 30 June 2014.

6. Available-for-sale financial assets

The table below presents changes in available-for-sale financial assets held by the parent entity in the first six months of 2014 and in the whole year 2013.

	Period	
	6 months ended 30 June 2014 (unaudited)	12 months ended 31 December 2013
Opening balance	21,073	11,301
Additions (purchase of shares, Treasury bonds and bills and valuation of discount, premium and interests)	297	10,081
Reclassification from portfolio of available-for-sale financial assets*	(10,105)	-
Change in fair value - recognised in total comprehensive income	(131)	(309)
- shares	(23)	(103)
- Treasury bonds and bills	(108)	(206)
Closing balance	11,134	21,073
Long-term	10,706	20,955
Short-term	428	118

* Reclassification of Aquis Exchange Limited to investment in associates

Goodwill hierarchy

WSE classifies the valuation of goodwill on the basis of a goodwill hierarchy which reflects the significance of valuation input data. The goodwill hierarchy includes the following levels:

- (unadjusted) trading prices on active markets for identical assets or liabilities (**level 1**);
- input data other than trading prices at level 1, which can be identified or observed for an asset or liability, directly (as prices) or indirectly (calculations based on prices) (**level 2**); and
- input data for an asset or liability not based on observable market data (non-observable data) (**level 3**).

(all amounts in PLN'000 unless otherwise stated)

The table below presents the valuation of available-for-sale financial assets of WSE, as at 30 June 2014, based on input data classified as level 1 in the goodwill hierarchy.

Since the fair value of interest in Innex cannot be measured reliably, it is recognised at cost less impairment losses as at 30 June 2014 and as at 31 December 2013 (PLN 0 as at 30 June 2014 and PLN 0 as at 31 December 2013).

As at 30 June 2014 (unaudited)						
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total (Level 1-3)
Treasury bonds	10,927	10,927	10,927	-	-	10,927
Equity financial assets	207	207	207	-	-	207
<i>Sibex</i>	207	207	207	-	-	207
Total	11,134	11,134	11,134	-	-	11,134
As at 31 December 2013						
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total (Level 1-3)
Treasury bonds	10,738	10,738	10,738	-	-	10,738
Equity financial assets	230	230	230	-	-	230
<i>Sibex</i>	230	230	230	-	-	230
Total	10,968	10,968	10,968	-	-	10,968

7. Changes in provisions and impairment losses for assets

In the period from 1 January 2014 to 30 June 2014, the following impairment losses were accounted for:

- impairment allowances for receivables: an increase of PLN 525 thousand (provisions additions of PLN 1,294 thousand, releases of PLN 769 thousand).

In the period from 1 January 2013 to 30 June 2013, the following impairment losses were accounted for:

- impairment allowances for receivables: an increase of PLN 584 thousand (provisions additions of PLN 613 thousand, releases of PLN 29 thousand).

Furthermore, in the period from 1 January 2014 to 30 June 2014, there were the following changes in estimates relating to provisions:

- litigation and other provisions were reduced by PLN 880 thousand (release of PLN 622 thousand, usage of PLN 318 thousand, provisions additions of PLN 60 thousand);
- employee benefits provisions were reduced by PLN 1,052 thousand (releases of PLN 26 thousand, usage of PLN 6,615 thousand, provisions additions of PLN 5,589 thousand).

8. Cash and cash equivalents

Cash and cash equivalents include the following:

	As at	
	30 June 2014 (unaudited)	31 December 2013
Cash	22	15
Current accounts	6,641	4,031
Bank deposits of the WCCH guarantee fund	140,022	125,326
Other bank deposits	369,489	307,459
Total cash and cash equivalents	516,174	436,831



(all amounts in PLN'000 unless otherwise stated)

WCCH maintains guarantee funds securing the execution of transactions on the energy market in accordance with Article 68d of the Act on Trading in Financial Instruments of 29 July 2005. Cash from the funds is presented in the statement of financial position under *Cash and cash equivalents* and amounted to PLN 140,022 thousand as at 30 June 2014 and PLN 125,326 thousand as at 31 December 2013. The corresponding liabilities of the Guarantee Funds are presented in the statement of financial position under *Dividends and other liabilities including Guarantee Funds* in the amount equal to the cash deposits.

Making contributions to guarantee funds

There are currently two guarantee funds: the fund for the energy forward market (RTEE) and the fund for the gas forward market (RTG). Liabilities of WCCH clearing members to the guarantee funds are updated on the first working day of the month based on margins as at the last day of the previous month including multiplier set for each month based on the Management Board resolution. Contributions are made after three working days of the contribution update. Contributions are settled through separate bank accounts for the RTEE and the RTG markets, maintained by Bank BOŚ S.A., there are four proxies (employees of WCCH) to above accounts. Each transfer order must be authorised by two of the proxies.

Managing the resources of the guarantee funds

The resources of a fund are managed by an Investment Committee which has four members pursuant to the WCCH Rules. The resources of the guarantee funds are placed as term deposits with banks holding a rating of at least BBB (Fitch). No more than 30% of the value of a fund may be placed with one bank. According to the WCCH Rules, the resources of the guarantee funds may only be used for the settlement of liabilities of a clearing member after using all resources contributed by the member in the clearing guarantee system, i.e., maintenance margins, transaction margins and delivery margins.

9. Financial liabilities

On 5 December 2011, the WSE Management Board adopted Resolution No. 1473/2011 concerning an issue of series A and B bearer bonds. The goal of the issue was to finance WSE's projects including institutional consolidation of the exchange commodity market and expansion of the list of products available to investors on the market, as well as technology projects on the financial markets and the commodity market.

The issue of series A bonds with a nominal value of PLN 170,000 thousand addressed only to qualified investors took place on 23 December 2011.

Series B bonds with a nominal value of PLN 75,000 thousand were offered in a public offering on 10 February 2012. The series B bonds were issued on 15 February 2012.

The series A and B bonds have been introduced to trading on the Catalyst market operated by WSE and Bondspot, which offers trade in corporate, municipal, co-operative, Treasury and mortgage bonds. The nominal value of the bonds was PLN 100 per bond. The WSE bonds are unsecured bonds at a floating interest rate. The interest rate is fixed within each interest period at WIBOR 6M plus a margin of 117 basis points.

The redemption date of the series A and B bonds is 2 January 2017.

No bonds were redeemed in the six months ended 30 June 2014. Liabilities on bonds issue amounted to PLN 243,848 thousand as at 30 June 2014 (liabilities on bonds issue amounted to PLN 243,617 thousand as at 31 December 2013).

(all amounts in PLN'000 unless otherwise stated)

10. Income tax

The table below presents income tax and deferred tax.

	Three-month period ended 30 June		Six-month period ended 30 June	
	2014 (unaudited)	2013 (unaudited)	2014 (unaudited)	2013 (unaudited)
Current income tax	1,328	2,670	11,134	13,850
Deferred tax	3,791	3,139	2,257	(1,522)
Total income tax	5,119	5,808	13,391	12,328

As required by the Polish tax regulations, the tax rate applicable in 2014 and 2013 is 19%. The reconciliation of the theoretical amount of tax arising from profit before tax and the statutory tax rate with the income tax expense presented in the statement of comprehensive income is as follows:

	Three-month period ended 30 June		Six-month period ended 30 June	
	2014 (unaudited)	2013 (unaudited)	2014 (unaudited)	2013 (unaudited)
Profit before income tax	25,524	22,792	71,412	71,373
Income tax rate	19%	19%	19%	19%
Income tax at the statutory tax rate	4,850	4,331	13,568	13,561
Tax effect:				
Non-deductible costs	256	(885)	377	(926)
Non-taxable income	(4)	110	(4)	(84)
Additional taxable income	13	-	13	-
Income tax refund for past years due to tax relief for investment in new technologies	-	-	-	(1,151)
Subsidiaries' tax losses not included in deferred income tax	145	75	331	81
Non-taxable share of profit of associates	(164)	(541)	(917)	(1,423)
Other adjustments *	23	2,719	23	2,271
Total income tax	5,119	5,808	13,391	12,328

* Other adjustments in the amount of 2 719 thousand PLN for the period of three months ended 30 June 2013 and in the amount of 2 271 thousand PLN for the period of six months ended 30 June 2013 related to: goodwill impairment of poe in the amount of 1 510 thousand PLN not included in deferred tax calculation in both periods; as well as timing differences in property, plant and equipment and intangible assets in the amount of 1 209 thousand PLN for the period of three months ended 30 June 2013 and in the amount of 761 thousand PLN for the period of six months ended 30 June 2013. The aforementioned positions have been adjusted as at 31 December 2013.

(all amounts in PLN'000 unless otherwise stated)

11. Contingent liabilities

On 18 February 2014, the Regional Administrative Court in Warsaw gave a decision in case no. III SA/Wa 1230/13 whereby it dismissed a complaint of the Warsaw Commodity Clearing House (“WCCH”) against an individual interpretation given by the Director of the Tax Chamber in Warsaw. In its decision, the Court confirmed the position of the Ministry of Finance presented in the interpretation whereby WCCH is not legally allowed to use an exemption for its services, i.e., clearing and settlement of forward transactions in electricity, within the meaning of the Value Added Tax Act (“VAT Act”). According to the interpretation and the oral and written justification presented by the Court, such services should be classified as technical services and, consequently, subject to the basic VAT rate (currently 23%).

In view of the foregoing, WCCH has filed a cassation complaint with the Supreme Court of Administration within the time limit required under procedural law. In the opinion of the WCCH Management Board, the decision does not address the merits of WCCH’s complaint and is based on an erroneous interpretation of facts. The position of WCCH is also underpinned by the long-time practice of the Tax Chamber which has applied a VAT exemption with respect to the services outlined in the complaint. In its cassation complaint, in addition to the aforementioned arguments, WCCH has filed a request for a prejudicial question to be asked by the national court (Supreme Court of Administration) of the Court of Justice of the European Union (“CJEU”).

These Condensed Consolidated Interim Financial Statements do not include adjustments to WCCH’s VAT settlements. However, if the decision of the Regional Administrative Court is upheld by the bench of the Supreme Court of Administration, WCCH would be required to pay interest on overdue VAT payments, assessed at PLN 1,338 thousand as at 30 June 2014 (interest assessed at PLN 877 thousand as at 31 December 2013). At the same time, WCCH could adjust VAT invoices issued to its members for transactions concluded as of 1 January 2011, i.e., the effective date of the regulations under which the individual interpretation was issued, pursuant to § 56(2) of the WCCH Rules.

12. Related party transactions

Related parties of the Group include its associates (KDPW S.A. Group, Centrum Gieldowe S.A., Aquis Exchange Limited) and the State Treasury as the parent entity (holding 35.00% of the share capital and 51.74% of the total number of voting rights as at 30 June 2014), entities controlled and jointly controlled by the State Treasury and entities on which the State Treasury has significant influence. Furthermore, related parties include the key management personnel of the Group (Members of the Management Board of the parent entity).

12.1. Information on remuneration and benefits of the key management personnel

The management personnel of the Group is the Management Board of the parent entity. Remuneration and benefits paid or due to the key management personnel on the Management Board of WSE are as follows:

	Three-month period ended 30 June		Six-month period ended 30 June	
	2014 (unaudited)	2013 (unaudited)	2014 (unaudited)	2013 (unaudited)
Remuneration	1,250	1,321	2,661	2,296
Bonus - long-term liability	-	177	-	288
Other benefits	165	150	370	490
Other payments after employment period	-	-	-	1,773
Total remuneration and benefits of the key management personnel	1,415	1,648	3,031	4,847

(all amounts in PLN'000 unless otherwise stated)

The remuneration system for the members of the Exchange Management Board is defined in the employment contracts (as amended). It consists of a fixed part (base pay) and a variable part (incentive system, i.e., bonus) as well as additional benefits. The bonus depends on the degree of performance of a number of business targets (concerning the development of the capital market) and financial targets. The maximum amount of bonus available within the year is defined in the remuneration rules. As part of the maximum bonus, the Exchange Supervisory Board may grant a discretionary bonus to Exchange Management Board members, which is not directly linked to the business and financial indicators. It is awarded on the basis of an assessment of performance of individual annual tasks.

12.2. Information about transactions with companies which are related parties of the State Treasury

In these Condensed Consolidated Interim Financial Statements, the Management Board of WSE has disclosed material transactions with entities related to the State Treasury, identified by the Management Board on the basis of the list of companies in which the State Treasury has interest as at 31 March 2014 published by the Ministry of the State Treasury.

Related parties identified by the Management Board of WSE include mainly companies listed on WSE (issuers of securities), Exchange Members and Polish Power Exchange Members. The Group charges fees to related parties listed on WSE including fees for admission to exchange trading, fees for introduction to exchange trading and fees for listing of financial instruments. Fees charged to related parties which are Exchange Members include fees for enabling the conclusion of transactions on the exchange market, fees for access to WSE's IT systems and fees for trading in financial instruments.

All the transactions with entities related to the State Treasury are concluded in the normal course of business and are carried out on an arm's length basis.

	As at 30 June 2014 (unaudited)		Three-month period ended 30 June 2014 (unaudited)		Six-month period ended 30 June 2014 (unaudited)	
	Receivables	Liabilities	Sales revenue	Operating expenses	Sales revenue	Operating expenses
Enea S.A.	401	-	1,147	-	3,146	-
Energa S.A.	854	-	1,800	-	3,516	-
PGE Polska Grupa Energetyczna S.A.	1,011	-	3,035	-	7,077	-
Polskie Górnictwo Naftowe i Gazownictwo S.A.	193	-	599	-	798	-
Powszechna Kasa Oszczędności Bank Polski S.A.	1,164	4	3,399	16	6,750	25
TAURON Polska Energia S.A.	591	-	2,287	-	6,111	-
Other	152	29	670	211	1,189	386
Total	4,366	33	12,937	227	28,587	411

	As at 31 December 2013		Three-month period ended 30 June 2013 (unaudited)		Six-month period ended 30 June 2013 (unaudited)	
	Receivables	Liabilities	Sales revenue	Operating expenses	Sales revenue	Operating expenses
Enea S.A.	466	-	(267)	-	713	-
Energa S.A.	417	-	161	-	521	-
PGE Polska Grupa Energetyczna S.A.	1,630	-	(309)	-	3,768	-
Polskie Górnictwo Naftowe i Gazownictwo S.A.	65	-	63	-	97	-
Powszechna Kasa Oszczędności Bank Polski S.A.	1,037	3	3,023	-	5,835	-
TAURON Polska Energia S.A.	458	-	(128)	-	2,376	-
Other	158	-	410	20	1,113	24
Total	4,231	3	2,953	20	14,423	24

(all amounts in PLN'000 unless otherwise stated)

In accordance with the Polish law, companies of the Group are subject to tax obligations. Hence, the Group pays tax to the State Treasury, which is its related party. The principles and regulations binding upon companies of the Group in this regard are the same as those binding upon other entities which are not related parties.

In accordance with the Decree of the Minister of Finance of 16 March 2010 concerning fees paid to the Polish Financial Supervision Authority (“PFSA”) by supervised entities which pursue activities on the capital market, the parent entity incurs costs of fees paid to the State Treasury in the amount set by the Polish Financial Supervision Authority. The parent entity contributes monthly prepayments for fees due to PFSA for supervision over the capital market. PFSA makes final yearly settlements of the fees by 10 February of the following year.

Fees prepaid by the WSE Group to PFSA amounted to PLN 10,741 thousand in the six month period ended 30 June 2014, of which WSE paid PLN 10,419 thousand, compared to PLN 8,985 thousand paid by the WSE Group in the six month period ended 30 June 2013, of which WSE paid PLN 8,714 thousand. Fees prepaid by the WSE Group to PFSA amounted to PLN 5,332 thousand in the three month period ended 30 June 2014, of which WSE paid PLN 5,210 thousand, compared to PLN 4,464 thousand paid by the WSE Group in the three month period ended 30 June 2013, of which WSE paid PLN 4,357 thousand.

12.3. Transactions with associates

The tables below present the transactions of the Group with the associates of WSE in the six-month periods ended 30 June 2014 and 30 June 2013 and the balance of receivables and liabilities as at 30 June 2014 and 31 December 2013.

	As at 30 June 2014 (unaudited)		Three-month period ended 30 June 2014 (unaudited)		Six-month period ended 30 June 2014 (unaudited)	
	Receivables	Liabilities	Sales revenue	Operating expenses	Sales revenue	Operating expenses
Grupa KDPW	4	1	2	4	7	10
Centrum Giełdowe S.A.	-	38	-	419	-	812
Total	4	39	2	423	7	822

	As at 31 December 2013		Three-month period ended 30 June 2013 (unaudited)		Six-month period ended 30 June 2013 (unaudited)	
	Receivables	Liabilities	Sales revenue	Operating expenses	Sales revenue	Operating expenses
Grupa KDPW	57	2	12	9	26	13
Centrum Giełdowe S.A.	-	45	-	443	-	751
Total	57	47	12	452	26	764

During the first six months of 2014 and 2013, there were no write offs nor material impairment allowances created for receivables from related parties.

As an owner and lessee of the office space in the Centrum Giełdowe building, WSE pays rent and maintenance fee for the shared premises to the building manager, Centrum Giełdowe S.A.

In 2014, WSE conducted transactions with the housing community Wspólnota Mieszkaniowa “Książęca 4”, of which it is a member. Costs concerning these transactions amounted to PLN 1,534 thousand in the six month period ended 30 June 2014 and PLN 1,568 thousand in the six month period ended 30 June 2013. Costs concerning these transactions amounted to PLN 758 thousand in the three month period ended 30 June 2014 and PLN 776 thousand in the three month period ended 30 June 2013.



(all amounts in PLN'000 unless otherwise stated)

13. Dividend

13.1 Dividend paid

The parent entity paid no dividend in the first six months of 2014.

On 16 April 2014, the Exchange Supervisory Board issued a positive opinion on the proposal of the Exchange Management Board concerning distribution of the WSE profit for 2013 which provides for payment of dividend at PLN 50,366.4 thousand (PLN 1.20 per share) equal to 49.68% of the net profit of the Company for the financial year 2013. At the same time, in line with WSE's dividend policy, this represents 49.96% of the consolidated net profit of the WSE Group for the financial year 2013 attributable to the shareholders of the Company adjusted for the share of profit of associates.

In connection with the adjournment of the WSE Ordinary General Meeting convened on 26 June 2014 and continued on 15 July 2014 and with reference to relevant Current Reports, the WSE Management Board announced that, in view of KDPW's dividend payment procedures, it intended to recommend to the Company's Ordinary General Meeting a new dividend record date and a new dividend payment date for the dividend from the Company's net profit for 2013. The recommendation of the WSE Management Board is to set 7 August 2014 as the dividend record date and 26 August 2014 as the dividend payment date.

Pursuant to Resolution No. 4 of the Ordinary General Meeting dated 21 June 2013, the parent entity allocated PLN 32,738 thousand of the 2012 profit for dividend. The dividend was paid on 26 July 2013. The dividend per share amounted to PLN 0.78.

14. Seasonality

The activity of the Group shows no significant seasonality other than the revenue from the Commodity Market which shows seasonality in the first quarter of the year (the revenue for the first quarter is higher than the revenue for the other quarters of the year).

15. Segment reporting

These Condensed Consolidated Interim Financial Statements disclose information on segments based on components of the entity which are monitored by managers to make operating decisions. Operating segments are components of the entity for which discrete financial information is available and whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess the Group's performance.

For management purposes, the Group is divided into segments based on the type of services provided.

Three main reporting segments are used as follows:

1) *Financial Market* segment, which covers the activity of the Group including organising trade in financial instruments on the exchange as well as related activities (capital market education, promotion and information activities and organising an alternative trading system).

The Financial Market includes three subsegments:

- Trading (mainly trading fees which depend on turnover on the exchange, fees for access to exchange systems);
- Listing (annual securities listing fees and one-off fees for admission or introduction of securities to trading on the exchange);
- Information services (mainly revenue from information services for data vendors, historical data).

2) *Commodity Market* segment, which covers the activity of the Group including organising trade in commodities as well as related activities. The Group provides clearing and settlement on the commodity market through the company WCCH and offers exchange trading in commodities (electricity, gas) and operates the



(all amounts in PLN'000 unless otherwise stated)

Register of Certificates of Origin of electricity through the company PolPX. The WSE Group also earns revenues from the activity of a trade operator on the electricity market.

The Commodity Market includes the following subsegments:

- Trading (mainly revenue from spot and forward transactions in electricity, fees from spot and forward transactions in natural gas);
- Operation of the Register of Certificates of Origin of electricity (revenue from trade in property rights in certificates of origin of electricity);
- CO₂ Allowances Market (trade in property rights in certificates of origin of electricity);
- Clearing (revenue from other fees paid by market participants (members)).

3) The segment *Other* includes activities of the Group in education and professional training of human resources for the financial market, PR services and capital market research programmes.

The segment *Other* provides the following:

- Specialised training and profiled programmes (revenues from fees for rights including licences and certificates);
- Capital Market Academy (revenues from organisation of courses, seminars, workshops, e-learning and video-learning modules);
- IR/PR services (including organisation of General Meetings, interpretation, online broadcasts and video productions through the online multimedia platform WSE Media).

The accounting policies for the operating segments are the same as the accounting policies of the WSE Group other than as described below.

Segment data for management purposes are consolidated on a pro forma basis. The Management Board monitors separately the operating results of the segments to make decisions about resources to be allocated and assess the results of their allocation and performance. Each segment is assessed up to the level of operating profit or loss.

Transaction prices of transactions between the operating segments are set at arm's length, as for transactions with non-related parties.

Exclusions include consolidation adjustments and intercompany transactions eliminations.

The Group's business segments focus their activities on the territory of Poland.

(all amounts in PLN'000 unless otherwise stated)

The tables below present a reconciliation of the data analysed by the Management Board of the parent entity with the data shown in these Condensed Consolidated Interim Financial Statements.

Information on operating segments in the six-month period ended 30 June 2014.

	Six-month period ended 30 June 2014 (unaudited)				
	Financial Market ¹⁾	Commodity Market ²⁾	Other ³⁾	Exclusions and adjustments	Total WSE Group ⁴⁾
Sales revenues (external transactions)	105,034	50,724	812	(808)	155,762
Financial market	104,299	-	-	(112)	104,187
Trading	72,323	-	-	-	72,323
Equities and equity-related instruments	54,263	-	-	-	54,263
Derivative instruments	9,232	-	-	-	9,232
Other fees paid by market participants	2,846	-	-	-	2,846
Debt instruments	5,854	-	-	-	5,854
Other cash instruments	127	-	-	-	127
Listing	12,460	-	-	-	12,460
Listing fees	9,637	-	-	-	9,637
Introduction and other fees	2,823	-	-	-	2,823
Information services	19,516	-	-	(112)	19,404
Real-time information	18,418	-	-	(50)	18,368
Historical and statistical information and indices	1,098	-	-	(62)	1,036
Commodity market	-	50,590	-	(189)	50,401
Trading	-	26,516	-	(189)	26,327
Electricity	-	6,538	-	-	6,538
<i>Spot</i>	-	1,210	-	-	1,210
<i>Forward</i>	-	5,328	-	-	5,328
Gas	-	283	-	-	283
<i>Spot</i>	-	33	-	-	33
<i>Forward</i>	-	250	-	-	250
Property rights in certificates of origin	-	16,098	-	-	16,098
Other fees paid by market participants	-	3,598	-	(189)	3,409
Register of certificates of origin	-	11,870	-	-	11,870
Clearing	-	12,204	-	-	12,204
Other revenue	735	134	812	(507)	1,174
Operating expenses	(69,839)	(18,361)	(955)	808	(88,347)
<i>including depreciation and amortisation</i>	(12,383)	(1,901)	(45)	-	(14,329)
Profit on sales	35,195	32,364	(143)	-	67,416

(all amounts in PLN'000 unless otherwise stated)

Information on operating segments in the six-month period ended 30 June 2014, continued:

	Six-month period ended 30 June 2014 (unaudited)				
	Financial Market¹⁾	Commodity Market²⁾	Other³⁾	Exclusions and adjustments	Total WSE Group⁴⁾
Profit / (Loss) on other operations	(1,089)	(484)	-	318	(1,255)
Operating profit / (loss)	34,106	31,880	(143)	318	66,161
Profit / (Loss) on financial operations	13,577	1,668	(2)	(14,820)	424
<i>including interest income</i>	2,997	1,668	1	1	4,667
<i>including interest cost</i>	(4,959)	-	-	-	(4,959)
Share of profit (loss) of associates	-	-	-	4,827	4,827
Profit before income tax	47,683	33,548	(145)	(9,674)	71,412
Income tax	(6,704)	(6,687)	-	-	(13,391)
Net profit	40,979	26,861	(145)	(9,674)	58,021

1) Includes WSE and BondSpot

2) Includes PolPX Group, WSE IE and WSE Commodities

3) Includes IRK and IAiR

4) According to the presentation in the Consolidated Statement of Comprehensive Income.

	Financial Market¹⁾	Commodity Market²⁾	Other³⁾	Exclusions and adjustments	Total WSE Group⁴⁾
As at 30 June 2014 (unaudited)					
Total assets	797,659	289,316	5,608	59,268	1,151,851
Total liabilities	287,691	171,478	320	(3,918)	455,570
Net assets (assets less liabilities)	509,968	117,839	5,288	63,186	696,281

1) Includes WSE and BondSpot

2) Includes PolPX Group, WSE IE and WSE Commodities

3) Includes IRK and IAiR

4) According to the presentation in the Consolidated Statement of Comprehensive Income.

(all amounts in PLN'000 unless otherwise stated)

Information on operating segments in the three-month period ended 30 June 2014

	Three-month period ended 30 June 2014 (unaudited)				
	Financial Market¹⁾	Commodity Market²⁾	Other³⁾	Exclusions and adjustments	Total WSE Group⁴⁾
Sales revenues (external transactions)	48,658	20,582	441	(427)	69,255
Financial market	48,296	-	-	(62)	48,234
Trading	32,547	-	-	-	32,547
Equities and equity-related instruments	24,490	-	-	-	24,490
Derivative instruments	3,718	-	-	-	3,718
Other fees paid by market participants	1,411	-	-	-	1,411
Debt instruments	2,869	-	-	-	2,869
Other cash instruments	60	-	-	-	60
Listing	6,124	-	-	-	6,124
Listing fees	4,767	-	-	-	4,767
Introduction and other fees	1,357	-	-	-	1,357
Information services	9,625	-	-	(62)	9,563
Real-time information	9,097	-	-	(26)	9,071
Historical and statistical information and indices	528	-	-	(36)	492
Commodity market	-	20,524	-	(189)	20,335
Trading	-	10,376	-	(189)	10,187
Electricity	-	3,368	-	-	3,368
<i>Spot</i>	-	559	-	-	559
<i>Forward</i>	-	2,809	-	-	2,809
Gas	-	230	-	-	230
<i>Spot</i>	-	26	-	-	26
<i>Forward</i>	-	204	-	-	204
Property rights in certificates of origin	-	5,895	-	-	5,895
Other fees paid by market participants	-	884	-	(189)	695
Register of certificates of origin	-	4,776	-	-	4,776
Clearing	-	5,372	-	-	5,372
Other revenue	362	58	441	(176)	685
Operating expenses	(35,377)	(8,956)	(504)	427	(44,409)
<i>including depreciation and amortisation</i>	(6,186)	(935)	(24)	-	(7,145)
Profit on sales	13,281	11,626	(63)	-	24,846



(all amounts in PLN'000 unless otherwise stated)

Information on operating segments in the three-month period ended 30 June 2014, continued:

	Three-month period ended 30 June 2014 (unaudited)				
	Financial Market¹⁾	Commodity Market²⁾	Other³⁾	Exclusions and adjustments	Total WSE Group⁴⁾
Profit / (Loss) on other operations	(752)	(136)	-	317	(571)
Operating profit / (loss)	12,529	11,490	(63)	317	24,275
Profit / (Loss) on financial operations	14,257	952	(2)	(14,820)	388
<i>including interest income</i>	<i>1,627</i>	<i>965</i>	<i>-</i>	<i>1</i>	<i>2,593</i>
<i>including interest cost</i>	<i>(2,508)</i>	<i>3</i>	<i>-</i>	<i>-</i>	<i>(2,505)</i>
Share of profit (loss) of associates	-	-	-	861	861
Profit before income tax	26,786	12,443	(65)	(13,642)	25,524
Income tax	(2,627)	(2,492)	-	-	(5,119)
Net profit	24,159	9,951	(65)	(13,642)	20,405

1) Includes WSE and BondSpot

2) Includes PolPX Group, WSE IE and WSE Commodities

3) Includes IRK and IAiR

4) According to the presentation in the Consolidated Statement of Comprehensive Income.

(all amounts in PLN'000 unless otherwise stated)

Information on operating segments in the six-month period ended 30 June 2013

	Six-month period ended 30 June 2013 (unaudited)				
	Financial Market¹⁾	Commodity Market²⁾	Other³⁾	Exclusions and adjustments	Total WSE Group⁴⁾
Sales revenues (external transactions)	105,006	39,004	400	(495)	143,915
Financial market	104,301	-	-	(81)	104,220
Trading	75,726	-	-	-	75,726
Equities and equity-related instruments	54,789	-	-	-	54,789
Derivative instruments	10,967	-	-	-	10,967
Other fees paid by market	2,956	-	-	-	2,956
Debt instruments	6,923	-	-	-	6,923
Other cash instruments	90	-	-	-	90
Listing	11,325	-	-	-	11,325
Listing fees	8,706	-	-	-	8,706
Introduction and admission fees, other fees	2,619	-	-	-	2,619
Information services	17,250	-	-	(81)	17,169
Real-time information	16,346	-	-	(66)	16,280
Historical and statistical information and indices	904	-	-	(15)	889
Commodity market	-	38,437	-	-	38,437
Trading	-	18,389	-	-	18,389
Electricity	-	5,709	-	-	5,709
<i>Spot</i>	-	1,327	-	-	1,327
<i>Forward</i>	-	4,382	-	-	4,382
Gas	-	22	-	-	22
<i>Spot</i>	-	11	-	-	11
<i>Forward</i>	-	11	-	-	11
Property rights in certificates of origin	-	9,335	-	-	9,335
Other fees paid by market participants	-	3,323	-	-	3,323
Register of certificates of origin	-	9,874	-	-	9,874
Clearing	-	10,174	-	-	10,174
Other revenue	705	567	400	(414)	1,258
Operating expenses	(66,118)	(14,841)	(411)	495	(80,875)
<i>including depreciation and amortisation</i>	<i>(10,180)</i>	<i>(1,399)</i>	<i>(20)</i>	-	<i>(11,599)</i>
Profit on sales	38,889	24,163	(11)	-	63,040

(all amounts in PLN'000 unless otherwise stated)

Information on operating segments in the six-month period ended 30 June 2013, continued:

	Six-month period ended 30 June 2013 (unaudited)				
	Financial Market¹⁾	Commodity Market²⁾	Other³⁾	Exclusions and adjustments	Total WSE Group⁴⁾
Profit / (Loss) on other operations	(309)	949	1	47	687
Operating profit / (loss)	38,580	25,112	(10)	47	63,727
Profit / (Loss) on financial operations	41,033	2,371	2	(43,255)	151
<i>including interest income</i>	3,316	1,725	2	-	5,043
<i>including interest cost</i>	(6,419)	-	-	-	(6,419)
Share of profit (loss) of associates	-	-	-	7,495	7,495
Profit before income tax	79,613	27,483	(8)	(35,714)	71,373
Income tax	(7,028)	(5,300)	-	-	(12,328)
Net profit	72,585	22,183	(8)	(35,714)	59,045

1) Includes WSE and BondSpot. poee GPW Energy Market excluded from Financial Market in the first quarter of 2013 and included in Commodity Market. On 31 March 2013 operations of poee ceased and commodity trading has been concentrated on TGE.

2) Includes PolPX Group, WSE IE, WSE Commodities and poee GPW Energy Market for first quarter of 2013.

3) Includes IRK

4) According to the presentation in the Consolidated Statement of Comprehensive Income.

	Financial Market¹⁾	Commodity Market²⁾	Other³⁾	Exclusions and adjustments	Total WSE Group⁴⁾
As at 31 December 2013					
Total assets	741,183	254,556	770	62,619	1,059,128
Total liabilities	269,128	152,779	238	(1,122)	421,023
Net assets (assets less liabilities)	472,055	101,777	532	63,741	638,105

1) Includes WSE and BondSpot. poee GPW Energy Market excluded from Financial Market in the first quarter of 2013 and included in Commodity Market. On 31 March 2013 operations of poee ceased and commodity trading has been concentrated on TGE.

2) Includes PolPX Group, WSE IE, WSE Commodities and poee GPW Energy Market for first quarter of 2013.

3) Includes IRK

4) According to the presentation in the Consolidated Statement of Comprehensive Income.

(all amounts in PLN'000 unless otherwise stated)

Information on operating segments in the three-month period ended 30 June 2013

	Three-month period ended 30 June 2013 (unaudited)				Total WSE Group⁴⁾
	Financial Market¹⁾	Commodity Market²⁾	Other³⁾	Exclusions and adjustments	
Sales revenues (external transactions)	52,025	12,532	319	(319)	64,557
Financial market	51,770	-	-	(69)	51,701
Trading	37,543	-	-	-	37,543
Equities and equity-related instruments	26,946	-	-	-	26,946
Derivative instruments	5,624	-	-	-	5,624
Other fees paid by market	1,440	-	-	-	1,440
Debt instruments	3,486	-	-	-	3,486
Other cash instruments	47	-	-	-	47
Listing	5,588	-	-	-	5,588
Listing fees	4,376	-	-	-	4,376
Introduction and admission fees, other fees	1,212	-	-	-	1,212
Information services	8,639	-	-	(69)	8,570
Real-time information	8,169	-	-	(60)	8,109
Historical and statistical information and indices	470	-	-	(9)	461
Commodity market	-	12,307	-	-	12,307
Trading	-	6,501	-	-	6,501
Electricity	-	2,634	-	-	2,634
<i>Spot</i>	-	446	-	-	446
<i>Forward</i>	-	2,188	-	-	2,188
Gas	-	15	-	-	15
<i>Spot</i>	-	8	-	-	8
<i>Forward</i>	-	7	-	-	7
Property rights in certificates of origin	-	2,165	-	-	2,165
Other fees paid by market participants	-	1,687	-	-	1,687
Register of certificates of origin	-	1,977	-	-	1,977
Clearing	-	3,829	-	-	3,829
Other revenue	255	225	319	(250)	549
Operating expenses	(36,056)	(7,964)	(310)	300	(44,030)
<i>including depreciation and amortisation</i>	(7,168)	(739)	(15)	-	(7,922)
Profit on sales	15,969	4,568	9	(19)	20,527

(all amounts in PLN'000 unless otherwise stated)

Information on operating segments in the three-month period ended 30 June 2013, continued:

	Three-month period ended 30 June 2013 (unaudited)				
	Financial Market¹⁾	Commodity Market²⁾	Other³⁾	Exclusions and adjustments	Total WSE Group⁴⁾
Profit / (Loss) on other operations	173	(70)	1	47	150
Operating profit / (loss)	16,142	4,498	10	27	20,677
Profit / (Loss) on financial operations	41,360	636	1	(42,727)	(730)
<i>including interest income</i>	<i>1,639</i>	<i>645</i>	<i>1</i>	<i>-</i>	<i>2,285</i>
<i>including interest cost</i>	<i>(3,138)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(3,138)</i>
Share of profit (loss) of associates	-	-	-	2,846	2,846
Profit before income tax	57,502	5,134	11	(39,854)	22,792
Income tax	(4,615)	(1,193)	-	-	(5,808)
Net profit	52,887	3,941	11	(39,854)	16,984

1) Includes WSE and BondSpot

2) Includes PolPX Group, WSE IE and WSE Commodities

3) Includes IRK

4) According to the presentation in the Consolidated Statement of Comprehensive Income.

16. Events after the balance sheet date

On 20 June 2014, the Ordinary General Meeting of WSEInfoEngine S.A. decided to increase the share capital of WSE IE from PLN 6.0 million to PLN 8.3 million. The shares were taken up in July 2014.

On 30 June 2014, the Ordinary General Meeting of WSE Commodities S.A. decided to increase the share capital of WSE Commodities from PLN 0.3 million to PLN 1.3 million. The shares were taken up in July 2014. The Ordinary General Meeting of WSE Commodities S.A. decided to change the name of the company from WSE Commodities S.A. to WSE Services S.A. As at the date of signing these Condensed Consolidated Interim Financial Statements, the change of the name was not yet registered in the National Court Register.

On 26 June 2014, at the request of the State Treasury, a shareholder representing 35.00% of the WSE share capital, the WSE General Meeting resolved to appoint Mr. Paweł Tamborski as President of the WSE Management Board for a new term of office. The decision will enter into force on the day of delivery to WSE of a decision of the Polish Financial Supervision Authority approving the change on the WSE Management Board and the receipt by Mr. Paweł Tamborski of the consent of the Committee for the Review of Requests for Consent for Employment of Persons Who Performed Public Functions appointed by the Prime Minister but not earlier than the date of the approval of the financial statements of the Warsaw Stock Exchange for 2013 by the Ordinary General Meeting.

With reference to Current Report No. 8/2014 dated 26 June 2014, WSE announced that on 8 July 2014 it was informed that Mr. Paweł Tamborski received the consent of the Committee for the Review of Requests for Consent for Employment of Persons Who Performed Public Functions appointed by the Prime Minister for his employment at the Company as President of the Management Board. This fulfilled the first condition for the employment of Mr. Paweł Tamborski at the Company as President of the Management Board.



(all amounts in PLN'000 unless otherwise stated)

On 24 July, WSE received the decision of the Polish Financial Supervision Authority approving the change on the WSE Management Board consisting in the appointment of Mr. Paweł Tamborski as President of the Company's Management Board. This fulfilled the second condition under the Resolution of the WSE General Meeting of 26 June 2014 appointing the President of the WSE Management Board for a new term of office.

The Condensed Consolidated Interim Financial Statements are presented by the Management Board of the Warsaw Stock Exchange:

Adam Maciejewski – President of the Management Board

Beata Jarosz – Vice-President of the Management Board

Paweł Graniewski – Vice-President of the Management Board

Mirosław Szczepański – Member of the Management Board

Dariusz Kułakowski – Member of the Management Board

Signature of the person responsible for keeping the accounting records

Sylwia Sawicka – Chief Accountant

Warsaw, 24 July 2014



KPMG Audyt
Spółka z ograniczoną
odpowiedzialnością sp.k.
ul. Chłodna 51
00-867 Warszawa
Poland

Telefon +48 22 528 11 00
Fax +48 22 528 10 09
E-mail kpmg@kpmg.pl
Internet www.kpmg.pl

This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.

**INDEPENDENT AUDITORS' REPORT
ON REVIEW OF THE INTERIM CONDENSED
SEPARATE FINANCIAL STATEMENTS
FOR THE PERIOD
FROM 1 JANUARY 2014 TO 30 JUNE 2014**

To the Shareholders of Giełda Papierów Wartościowych w Warszawie S.A.

Introduction

We have reviewed the accompanying 30 June 2014 condensed separate interim financial statements of Giełda Papierów Wartościowych w Warszawie S.A., with its registered office in Warsaw, ul. Książęca 4 ("the condensed separate interim financial statements"), which comprise:

- the separate statement of financial position as at 30 June 2014,
- the separate statements of comprehensive income for the three-month period and six-month period ended 30 June 2014,
- the separate statement of changes in equity for the six-month period ended 30 June 2014,
- the separate statement of cash flows for the six-month period ended 30 June 2014, and
- notes to the interim separate financial statements.

Management of the company is responsible for the preparation and presentation of these condensed separate interim financial statements in accordance with the IAS 34 *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on these condensed separate interim financial statements, based on our review.



Scope of Review

We conducted our review in accordance with the National Standard on Auditing no. 3 *General principles of review of the financial statements/condensed financial statements and conducting of other assurance services* issued by the National Council of Certified Auditors and the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with national standards on auditing and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2014 condensed separate interim financial statements are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
registration number 3546
ul. Chłodna 51, 00-867 Warsaw

Signed on the Polish original

.....
Bogdan Dębicki
Key Certified Auditor
Registration No. 796
Member of the Management Board of
KPMG Audyt Sp. z o.o.
General Partner of KPMG Audyt Spółka
z ograniczoną odpowiedzialnością sp.k.

24 July 2014

Signed on the Polish original

.....
Marlena Brzezińska
Certified Auditor
Registration No. 12755



WARSAW
STOCK
EXCHANGE

Condensed Separate Interim
Financial Statements of
Giełda Papierów Wartościowych
w Warszawie S.A.
for the Six-month Period Ended
30 June 2014



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*(all amounts in PLN'000 unless otherwise stated)***Separate Statement of Financial Position**

	Note	As at	
		30 June 2014 (unaudited)	31 December 2013
Non-current assets		509,963	496,790
Property, plant and equipment	2	106,174	112,279
Intangible assets	3	90,412	95,439
Investment in associates		36,959	11,652
Investment in subsidiaries	4	262,405	253,455
Available-for-sale financial assets		10,706	20,955
Prepayments		3,307	3,010
Current assets		270,769	225,645
Inventories		147	166
Corporate income tax receivable		6,974	10,496
Trade and other receivables		26,587	23,940
Available-for-sale financial assets		428	118
Other current financial assets		402	-
Cash and cash equivalents		236,231	190,925
TOTAL ASSETS		780,732	722,435
Equity		495,539	456,483
Share capital		63,865	63,865
Other reserves		(53)	12
Retained earnings		431,727	392,606
Non-current liabilities		252,800	249,904
Employee benefits payable		4,303	4,313
Liabilities on bonds issue		243,848	243,617
Deferred tax liability		4,649	1,974
Current liabilities		32,393	16,048
Trade payables		4,241	3,184
Dividends and other liabilities		20,308	3,894
Employee benefits payable		7,844	8,970
TOTAL EQUITY AND LIABILITIES		780,732	722,435

The attached Notes are an integral part of these Condensed Separate Interim Financial Statements.

*(all amounts in PLN'000 unless otherwise stated)*

Separate Statement of Comprehensive Income

	Three-month period ended 30 June		Six-month period ended 30 June	
	2014 (unaudited)	2013 (unaudited)	2014 (unaudited)	2013 (unaudited)
Revenue	45,613	48,473	98,895	98,158
Operating expenses	(33,092)	(33,942)	(65,266)	(62,168)
Other income	19	118	56	312
Other expenses	(1,180)	13	(1,550)	(664)
Operating profit	11,360	14,660	32,135	35,638
Financial income	16,498	44,642	18,210	47,421
Financial expenses	(2,548)	(3,460)	(5,013)	(6,789)
Profit before income tax	25,310	55,842	45,332	76,270
Income tax expense	(2,354)	(4,295)	(6,211)	(6,384)
Net profit for the period	22,955	51,547	39,121	69,886
Other comprehensive income:				
Income to be reclassified as gains or losses	(38)	258	(65)	3,327
<i>Net change of fair value of available- for-sale financial assets</i>	(20)	(28)	(88)	(88)
<i>Effective portion of change of fair value of cash flow hedges</i>	(18)	286	23	3,415
Other comprehensive income after tax	(38)	258	(65)	3,327
Total comprehensive income	22,917	51,805	39,056	73,213

The attached Notes are an integral part of these Condensed Separate Interim Financial Statements.



(all amounts in PLN'000 unless otherwise stated)

Separate Statement of Cash Flows

	Note	Six-month period ended 30 June	
		2014 (unaudited)	2013 (unaudited)
Net cash flows from operating activities:		58,016	47,939
Proceeds from operating activities before taxation		58,016	54,606
Net profit for the period		39,121	69,886
Adjustments:		18,895	(15,280)
Income tax		6,211	6,384
Depreciation of property, plant and equipment		6,635	5,506
Amortisation of intangible assets		5,483	4,433
(Profit) / Loss on sale of property, plant and equipment and intangible assets		307	(66)
Financial (income) / expense of available-for-sale financial assets		(297)	(298)
Financial income from dividends	6	(14,819)	(43,255)
Income from interest on deposits		(2,803)	(2,964)
Income from interest on loans granted		(7)	-
Interest and premium on issued bonds		4,959	6,419
Other		59	5,684
Change in current assets and liabilities:		13,410	3,631
<i>(Increase) / Decrease of inventories</i>		19	77
<i>(Increase) / Decrease of trade and other receivables and prepayments</i>		(2,943)	(5,207)
<i>Increase / (Decrease) of trade and other payables</i>		17,470	10,109
<i>Increase / (Decrease) of employee benefits payable</i>		(1,136)	(1,348)
Income tax expense		-	(6,667)

The attached Notes are an integral part of these Condensed Separate Interim Financial Statements.



(all amounts in PLN'000 unless otherwise stated)

	Note	Six-month period ended 30 June	
		2014 (unaudited)	2013 (unaudited)
Cash flows from investing activities:		(8,219)	(22,459)
Purchase of property, plant and equipment	2	(537)	(1,288)
Purchase of intangible assets	3	(775)	(63,160)
Proceeds from sale of property, plant and equipment and intangible assets		18	129
Acquisition of shares of the associate	4	(8,950)	(637)
Acquisition of shares of the subsidiary		(15,202)	-
Loans granted		(1,080)	-
Repayment of loans granted		680	-
Interest received		2,803	2,964
Interest received on loans granted		5	-
Dividends received	6	14,819	39,533
Cash flows from financing activities:		(4,729)	-
Paid interest		(4,729)	-
Net (decrease) / increase in cash and cash equivalents		45,068	25,480
<i>Impact of change of fx rates on cash balances in foreign currencies</i>		238	754
Cash and cash equivalents - opening balance		190,925	177,565
Cash and cash equivalents - closing balance		236,231	203,799

The attached Notes are an integral part of these Condensed Separate Interim Financial Statements.



(all amounts in PLN'000 unless otherwise stated)

Separate Statement of Changes in Equity

	Share capital	Other reserves	Retained earnings	Total
As at 31 December 2013	63,865	12	392,606	456,483
<i>Net profit for the six-month period ended 30 June 2014</i>	-	-	39,121	39,121
<i>Income to be reclassified as gains or losses</i>	-	(65)	-	(65)
<i>Net change of fair value of available-for-sale financial assets</i>	-	(88)	-	(88)
<i>Effective portion of change in fair value of cash flow hedges</i>	-	23	-	23
Total comprehensive income for the six-month period ended 30 June 2014	-	(65)	39,121	39,056
As at 30 June 2014 <i>(unaudited)</i>	63,865	(53)	431,727	495,539
As at 31 December 2012	63,865	(2,943)	323,959	384,881
Dividend	-	-	(32,738)	(32,738)
Sum of transactions with owners recognised directly in equity	-	-	(32,738)	(32,738)
<i>Net profit for the year ended 31 December 2013</i>	-	-	101,385	101,385
<i>Income to be reclassified as gains or losses</i>	-	2,955	-	2,955
<i>Net change of fair value of available-for-sale financial assets</i>	-	(166)	-	(166)
<i>Effective portion of change in fair value of cash flow hedges</i>	-	3,121	-	3,121
Total comprehensive income for the year ended 31 December 2013	-	2,955	101,385	104,340
As at 31 December 2013	63,865	12	392,606	456,483
As at 31 December 2012	63,865	(2,943)	323,959	384,881
Dividend	-	-	(33,338)	(33,338)
Sum of transactions with owners recognised directly in equity	-	-	(33,338)	(33,338)
<i>Net profit for the six-month period ended 30 June 2013</i>	-	-	69,886	69,886
<i>Income to be reclassified as gains or losses</i>	-	3,327	-	3,327
<i>Net change of fair value of available-for-sale financial assets</i>	-	(88)	-	(88)
<i>Effective portion of change in fair value of cash flow hedges</i>	-	3,415	-	3,415
Total comprehensive income for the six-month period ended 30 June 2013	-	3,327	69,886	73,213
As at 30 June 2013 <i>(unaudited)</i>	63,865	384	360,507	424,756

The attached Notes are an integral part of these Condensed Separate Interim Financial Statements.



Notes to the Condensed Separate Interim Financial Statements

1. Basis of preparation of the Condensed Separate Interim Financial Statements and summary of significant accounting policies

These Condensed Separate Interim Financial Statements of the Warsaw Stock Exchange (“WSE”) have been prepared according to the International Accounting Standard 34 “Interim Financial Reporting” approved by the European Union.

In the opinion of the Management Board, in the notes to the Condensed Consolidated Interim Financial Statements of the Warsaw Stock Exchange Group (“Group”), WSE provided all relevant information necessary for a proper assessment of the assets and the financial position of the Company as at 30 June 2014 and the financial result for the period from 1 January 2014 to 30 June 2014. These Condensed Separate Interim Financial Statements of the Warsaw Stock Exchange should be read in conjunction with the Condensed Consolidated Interim Financial Statements of the Warsaw Stock Exchange Group for the six months ended 30 June 2014.

The Company has prepared these Condensed Separate Interim Financial Statements in accordance with the same accounting policies as those described in the audited financial statements for the year ended 31 December 2013 except for the below described changes:

- 1) IFRS 11 Joint Arrangements,
- 2) IFRS 12 Disclosure of Interests in Other Entities,
- 3) IAS 27 (2011) Separate Financial Statements,
- 4) IAS 28 (2011) Investments in Associates and Joint Ventures,
- 5) Amendments to IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities,
- 6) Amendments to IFRS 11 and IFRS 12: Joint Arrangements, Disclosure of Interests in Other Entities,
- 7) Amendments to IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting,
- 8) Amendments to IAS 36 Impairment of Assets – Recoverable Amount Disclosures for Non-financial Assets.

The application of the new IFRS 12 as of 1 January 2014 will increase the number of required disclosures relating to interest in other entities to be presented in the Separate Financial Statements for the year ended 31 December 2014.

According to the Company’s assessment, the amendments to other standards have no material impact on the Condensed Separate Interim Financial Statements.

2. Property, plant and equipment

The Company purchased property, plant and equipment of PLN 537 thousand in the period from 1 January 2014 to 30 June 2014 (PLN 1,288 thousand in the period from 1 January 2013 to 30 June 2013).

The Company sold property, plant and equipment of PLN 7 thousand net in the period from 1 January 2014 to 30 June 2014 (PLN 64 thousand in the period from 1 January 2013 to 30 June 2013).

The Company did not liquidate property, plant and equipment in the period from 1 January 2014 to 30 June 2014 (PLN 1,385 thousand in the period from 1 January 2013 to 30 June 2013).



3. Intangible assets

The Company purchased intangible assets of PLN 775 thousand in the period from 1 January 2014 to 30 June 2014 (PLN 63,160 thousand in the period from 1 January 2013 to 30 June 2013).

The Company sold intangible assets of PLN 318 thousand net in the period from 1 January 2014 to 30 June 2014 (the Company did not sell intangible assets in the period from 1 January 2013 to 30 June 2013).

Contracted investment commitments for intangible assets amounted to PLN 10,770 thousand as at 30 June 2014 and related to the UTP-Derivatives, CRM and fixed assets counting system (PLN 10,500 thousand as at 31 December 2013 and related to the UTP-Derivatives system).

4. Investment in associates and other entities

Based on Notarial Deed of 20 June 2014 the company Instytut Analiz i Ratingu S.A. ("IAiR") was set up. The company's share capital consists of 4,100,000 registered ordinary shares with a nominal value of PLN 1 per share. The share capital of IAiR was PLN 4,100 thousand at 30 June 2014. WSE's interest in the share capital and in the total amount of voting rights of the IAiR amounted to 100% at 30 June 2014. The company was created to fill a gap in the domestic rating offer in the segment of small and medium-sized companies. IAiR will enhance the credibility and transparency of the non-Treasury debt market in Poland. WSE will introduce a system of incentives for issuers to get ratings as well as a new debt securities market model.

The share capital of WSEInfoEngine amounted to PLN 8,295 thousand at 30 June 2014. The share capital of the company was increased by PLN 600 thousand on 9 January 2014 and by PLN 2,250 thousand on 20 June 2014. WSE's interest in the share capital and in the total amount of voting rights of WSEInfoEngine amounted to 100% at 30 June 2014.

The share capital of IRK S.A. amounted to PLN 2,437 thousand at 30 June 2014. The share capital of the company was increased by PLN 800 thousand on 2 June 2014. WSE's interest in the share capital and in the total amount of voting rights of IRK amounted to 100% at 30 June 2014.

The share capital of WSE Commodities Sp. z o.o. amounted to PLN 1,300 thousand at 30 June 2014. The share capital of the company was increased by PLN 200 thousand on 18 April 2014 and by PLN 1,000 thousand on 30 June 2014. WSE's interest in the share capital and in the total amount of voting rights of WSEInfoEngine amounted to 100% at 30 June 2014.

5. Changes in provisions and impairment losses for assets

In the period from 1 January 2014 to 30 June 2014, the following impairment losses were accounted for:

- impairment allowances for receivables: an increase of PLN 535 thousand (provisions additions of PLN 1,290 thousand, usage of PLN 602 thousand, releases of PLN 153 thousand).

In the period from 1 January 2013 to 30 June 2013, the following impairment losses were accounted for:

- impairment allowances for receivables: an increase of PLN 612 thousand (provisions additions of PLN 612 thousand).

Furthermore, in the period from 1 January 2014 to 30 June 2014, there were the following changes in estimates relating to provisions:

- employee benefits provisions were reduced by PLN 937 thousand (usage of PLN 4,751 thousand, additions of PLN 3,814 thousand).



6. Related party transactions

There was no significant change to the nature of scale of related party transactions in the period from 1 January 2014 to 30 June 2014.

Pursuant to Resolution No. 17/2014 of the Ordinary General Meeting of Centrum Giełdowe S.A. of 3 April 2014 concerning distribution of the 2013 profit, PLN 1,737 thousand was allocated to dividend. WSE's share in the dividend was PLN 431 thousand. The dividend was paid on 30 April 2014.

Pursuant to Resolution No. 4/I/14 of the Ordinary General Meeting of BondSpot S.A. of 10 April 2014 concerning distribution of the 2013 profit, PLN 3,000 thousand was allocated to dividend. WSE's share in the dividend was PLN 2,789 thousand. The dividend was paid on 16 May 2014.

Pursuant to Resolution No. 5 of the Ordinary General Meeting of PolPX of 23 April 2014 concerning distribution of the 2013 profit, PLN 11,600 thousand was allocated to dividend. The dividend was fully paid to WSE on 16 May 2014.

The Condensed Separate Interim Financial Statements are presented by the Management Board of the Warsaw Stock Exchange:

Adam Maciejewski – President of the Management Board

Beata Jarosz – Vice-President of the Management Board

Paweł Graniewski – Vice-President of the Management Board

Mirosław Szczepański – Member of the Management Board

Dariusz Kułakowski – Member of the Management Board

Signature of the person responsible for keeping the accounting records

Sylwia Sawicka – Chief Accountant

Warsaw, 24 July 2014



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Management Board's Statement

The Management Board of the Warsaw Stock Exchange declares that the registered audit firm performing the audit of the Condensed Separate Financial Statements of the Warsaw Stock Exchange for the six-month period ended 30 June 2014 and the Condensed Consolidated Financial Statements of the Warsaw Stock Exchange Group for the six-month period ended 30 June 2014 has been appointed pursuant to the binding regulations. The audit firm and the certified auditors performing the audit meet the requirements necessary for issuing an objective and independent audit opinion on the separate and the consolidated financial statement, pursuant to the binding provisions of the law and professional standards.

Adam Maciejewski
President of the Management Board

Beata Jarosz
Vice-President of the Management Board

Paweł Graniewski
Vice-President of the Management Board

Mirosław Szczepański
Member of the Management Board

Dariusz Kułakowski
Member of the Management Board

Warsaw, 24th July 2014



Management Board's Statement

The Management Board of the Warsaw Stock Exchange declares to the best of its knowledge that:

- The Condensed Separate Financial Statement of the Warsaw Stock Exchange for the six-month period ended 30 June 2014, including comparative information, have been prepared in accordance with the binding accounting policies and that these give a true, fair and clear view of the financial position and results of the Warsaw Stock Exchange,
- The Condensed Consolidated Financial Statement of the Warsaw Stock Exchange Group for the six-month period ended 30 June 2014, including comparative information, have been prepared in accordance with the binding accounting policies and that these give a true, fair and clear view of the financial position and results of the Warsaw Stock Exchange Group,
- The Consolidated report on the activities of the Warsaw Stock Exchange Group for the six-month period ended 30 June 2014 gives the true view of the Warsaw Stock Exchange Group development, achievements and situation, including the main threats and risks.

Adam Maciejewski
President of the Management Board

Beata Jarosz
Vice-President of the Management Board

Paweł Graniewski
Vice-President of the Management Board

Mirośław Szczepański
Member of the Management Board

Dariusz Kułakowski
Member of the Management Board

Warsaw, 24th July 2014