



**25 YEARS**

**GPW**

WARSAW STOCK EXCHANGE

---

**The Giełda Papierów Wartościowych w  
Warszawie S.A. Group**

Quarterly Report for Q1 2016

---

Warsaw, 25 April 2016

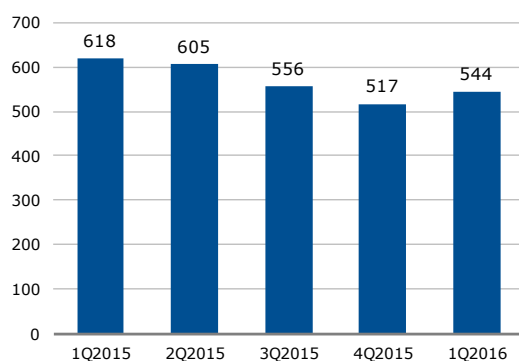
## TABLE OF CONTENTS

<b>I.</b>	<b>SELECTED MARKET DATA .....</b>	<b>4</b>
<b>II.</b>	<b>SELECTED FINANCIAL DATA .....</b>	<b>7</b>
<b>III.</b>	<b>INFORMATION ABOUT THE GPW GROUP .....</b>	<b>10</b>
	1. INFORMATION ABOUT THE GROUP .....	10
	1.1. Background information about the Group .....	10
	1.2. Organisation of the Group and the effect of changes in its structure .....	11
	1.3. Ownership .....	11
<b>IV.</b>	<b>FINANCIAL POSITION AND ASSETS .....</b>	<b>13</b>
	1. SUMMARY OF RESULTS .....	13
	2. PRESENTATION OF THE FINANCIALS .....	16
	REVENUE .....	16
	FINANCIAL MARKET .....	19
	TRADING .....	19
	LISTING .....	21
	INFORMATION SERVICES .....	23
	COMMODITY MARKET .....	23
	TRADING .....	24
	REGISTER OF CERTIFICATES OF ORIGIN .....	25
	CLEARING .....	25
	OTHER REVENUES .....	25
	OPERATING EXPENSES .....	26
	OTHER INCOME AND EXPENSES .....	30
	FINANCIAL INCOME AND EXPENSES .....	30
	SHARE OF PROFIT OF ASSOCIATES .....	30
	INCOME TAX .....	31
<b>V.</b>	<b>ATYPICAL FACTORS AND EVENTS .....</b>	<b>32</b>
<b>VI.</b>	<b>GROUP'S ASSETS AND LIABILITIES STRUCTURE .....</b>	<b>33</b>
	ASSETS .....	33
	EQUITY AND LIABILITIES .....	34
	CASH FLOWS .....	35
	CAPITAL EXPENDITURE .....	35
<b>VII.</b>	<b>RATIO ANALYSIS .....</b>	<b>36</b>
	DEBT AND FINANCING RATIOS .....	36
	LIQUIDITY RATIOS .....	36
	PROFITABILITY RATIOS .....	36
<b>VIII.</b>	<b>SEASONALITY AND CYCLICALITY OF OPERATIONS .....</b>	<b>38</b>
<b>IX.</b>	<b>OTHER INFORMATION .....</b>	<b>39</b>
	CONTINGENT LIABILITIES AND INVESTMENT COMMITMENTS .....	39
	PENDING LITIGATION .....	39
	RELATED PARTY TRANSACTIONS .....	39
	GUARANTIES AND SURETIES GRANTED .....	39
	FEASIBILITY OF PREVIOUSLY PUBLISHED FORECASTS .....	39
	EVENTS AFTER THE BALANCE-SHEET DATE WHICH COULD SIGNIFICANTLY IMPACT THE FUTURE FINANCIAL RESULTS OF THE ISSUER .....	39

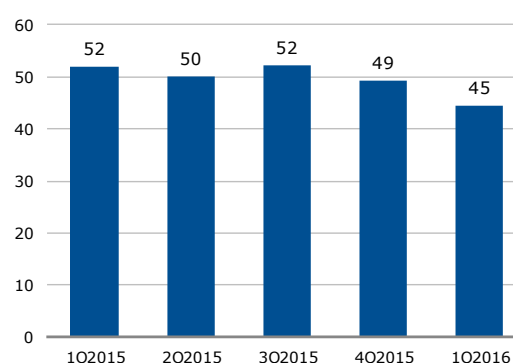
OTHER MATERIAL INFORMATION .....	41
<b>X. QUARTERLY FINANCIAL INFORMATION OF THE WARSAW STOCK EXCHANGE FOR Q1 2016.....</b>	<b>42</b>
<b>XI. APPENDICES .....</b>	<b>45</b>
<i>Condensed Consolidated Interim Financial Statements for the three-month period ended 31 March 2016 and the auditor's review report .....</i>	<i>45</i>

## I. Selected market data<sup>1</sup>

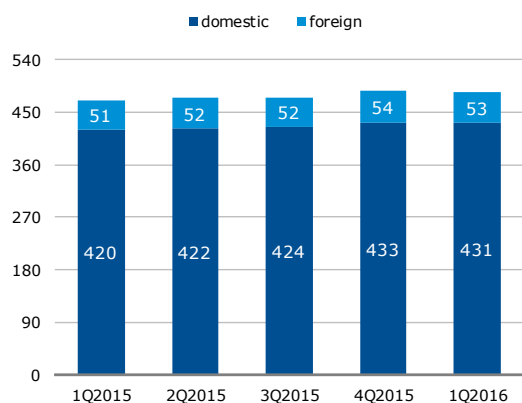
Capitalisation of domestic companies  
- Main Market (PLN bn)



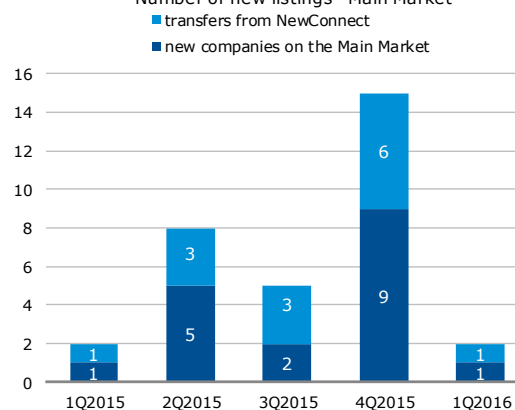
Session turnover on the Main Market  
- equities (PLN bn)



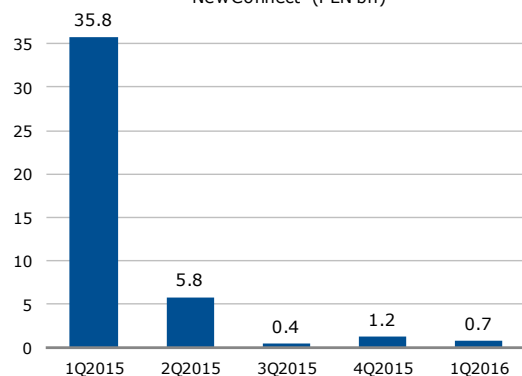
Number of companies - Main Market



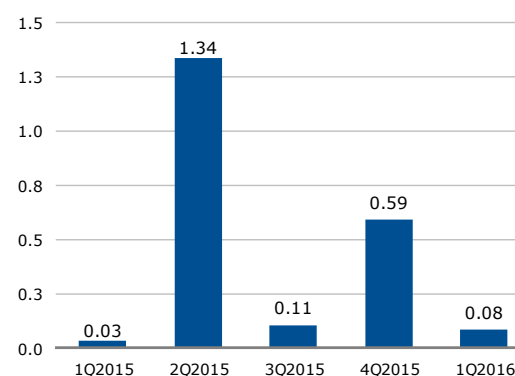
Number of new listings - Main Market



Value of secondary offerings - Main Market and  
NewConnect<sup>2</sup> (PLN bn)

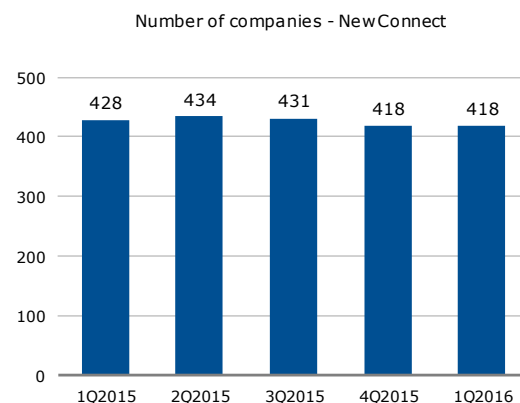
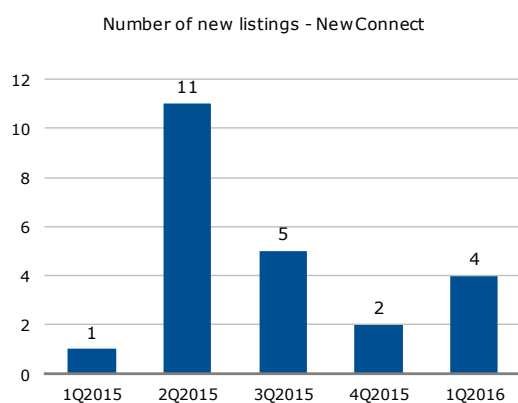
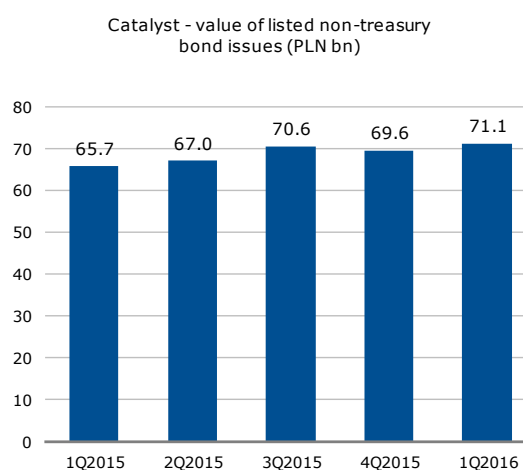
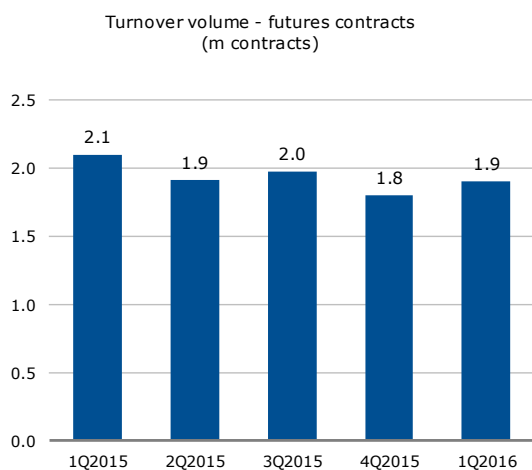
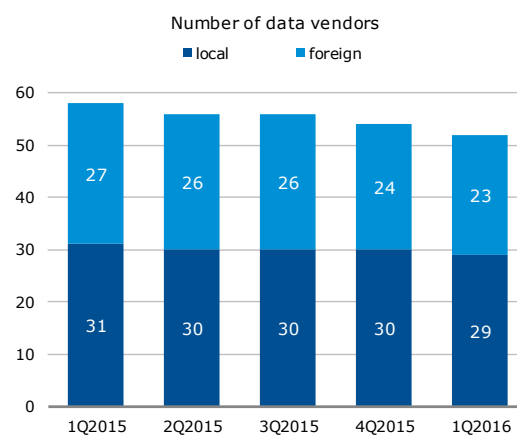
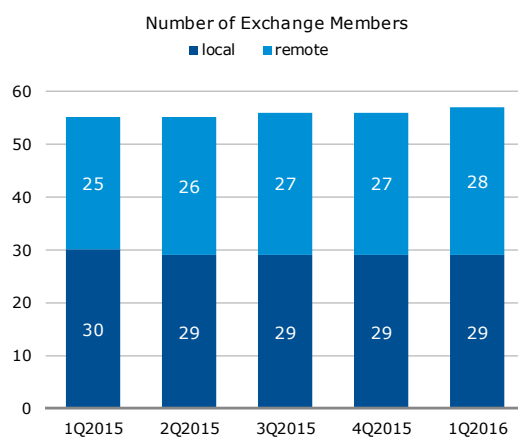


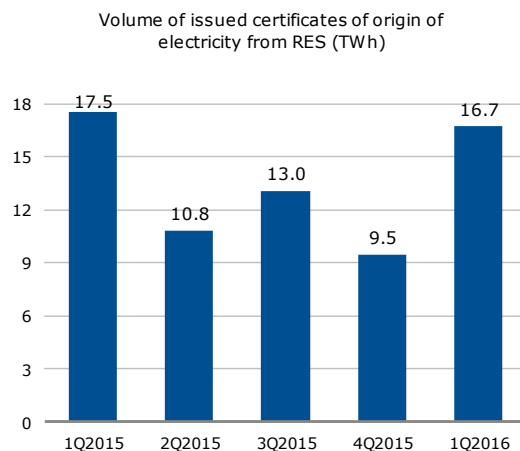
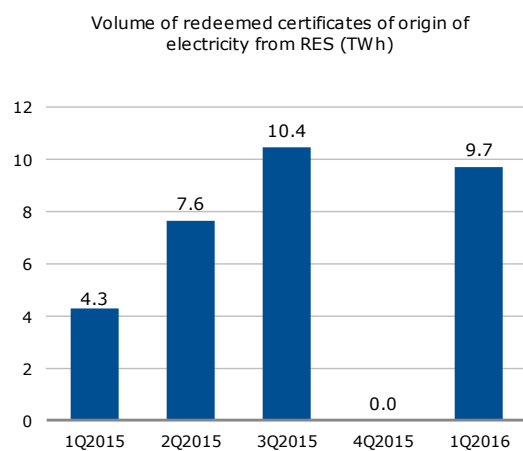
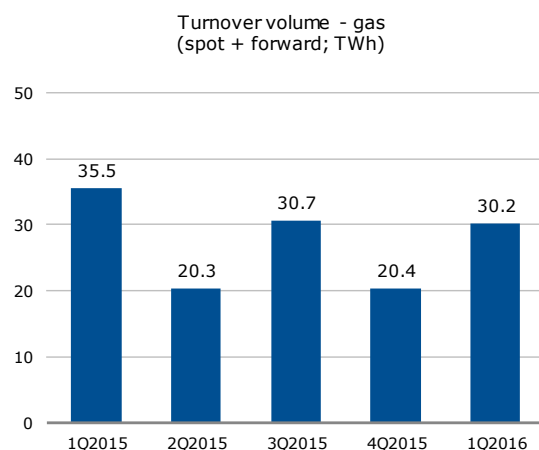
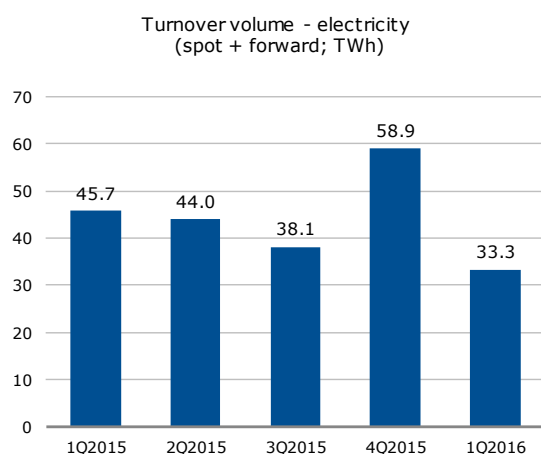
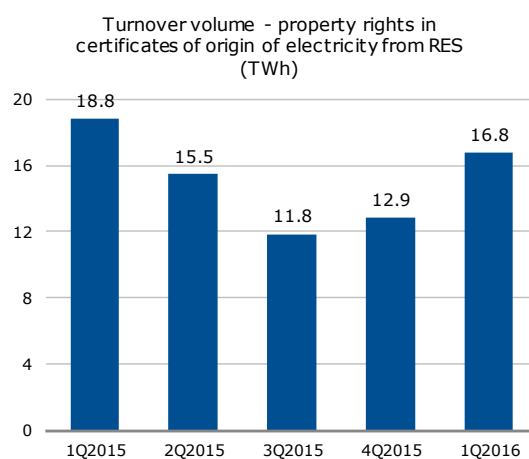
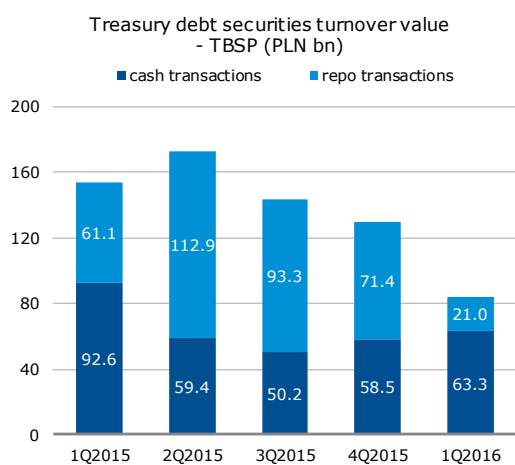
Value of primary offerings  
- Main Market and NewConnect (PLN bn)



<sup>2</sup> including the value of dual-listed companies

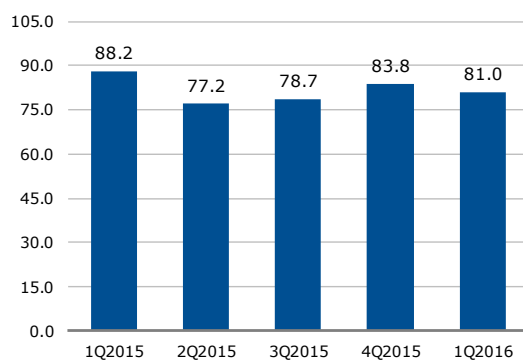
<sup>1</sup> All trading value and volume statistics presented in this Report are single-counted, unless indicated otherwise.



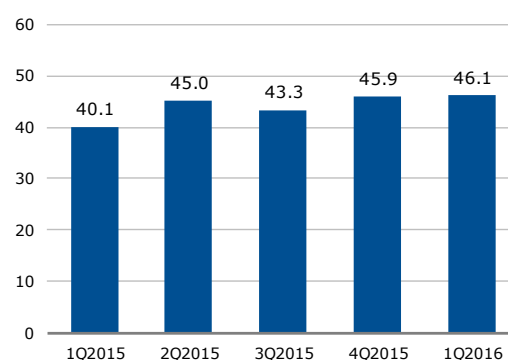


## II. Selected financial data

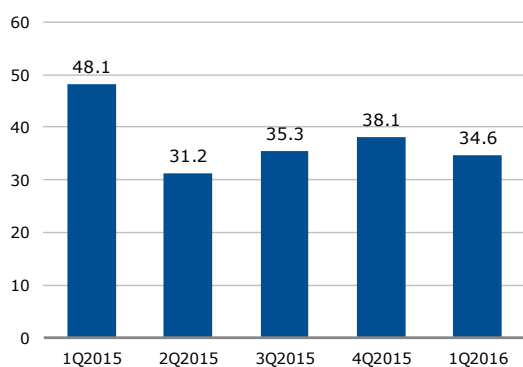
Sales revenue (PLN mn)



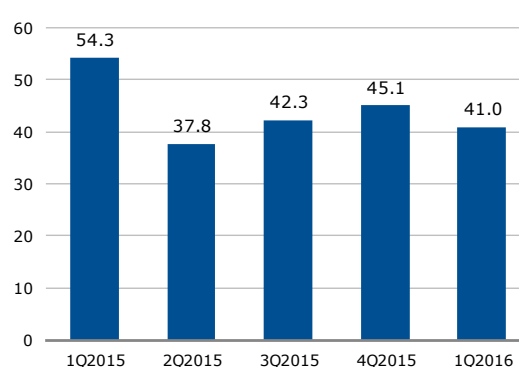
Operating expenses (PLN mn)



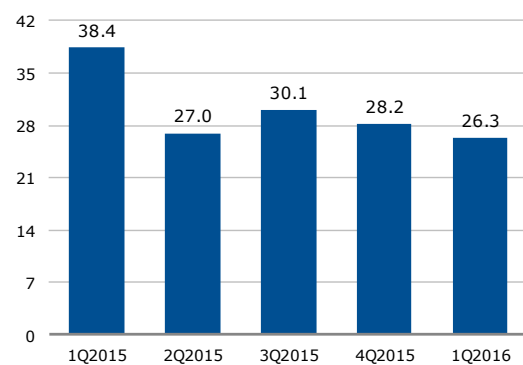
Operating profit (PLN mn)



EBITDA (PLN mn)



Net profit (PLN mn)



Net profit margin and EBITDA margin

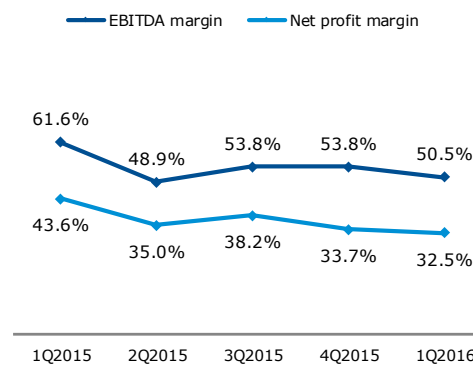


Table 1: Selected data in the consolidated statement of comprehensive income under IFRS, unaudited

	Three-month period ended 31 March			
	2016	2015	2016	2015
	PLN'000		EUR'000 <sup>[1]</sup>	
<b>Sales revenue</b>	<b>81,031</b>	<b>88,167</b>	<b>18,584</b>	<b>21,014</b>
<b>Financial market</b>	<b>44,488</b>	<b>50,242</b>	<b>10,203</b>	<b>11,975</b>
Trading	28,330	34,372	6,497	8,192
Listing	5,871	6,237	1,346	1,487
Information services	10,287	9,633	2,359	2,296
<b>Commodity market</b>	<b>36,122</b>	<b>37,365</b>	<b>8,284</b>	<b>8,906</b>
Trading	16,637	18,529	3,816	4,416
Register of certificates of origin	7,954	7,621	1,824	1,816
Clearing	11,531	11,215	2,645	2,673
<b>Other revenue</b>	<b>421</b>	<b>560</b>	<b>97</b>	<b>134</b>
<b>Operating expenses</b>	<b>46,122</b>	<b>40,091</b>	<b>10,578</b>	<b>9,555</b>
Other income	244	687	56	164
Other expenses	564	652	129	155
<b>Operating profit</b>	<b>34,589</b>	<b>48,111</b>	<b>7,933</b>	<b>11,467</b>
Financial income	1,963	1,675	450	399
Financial expenses	2,075	2,526	476	602
Share of profit of associates	(1,368)	212	(314)	51
<b>Profit before income tax</b>	<b>33,109</b>	<b>47,472</b>	<b>7,593</b>	<b>11,315</b>
Income tax expense	6,771	9,072	1,553	2,162
<b>Profit for the period</b>	<b>26,338</b>	<b>38,400</b>	<b>6,041</b>	<b>9,152</b>
Basic / Diluted earnings per share <sup>[2]</sup> (PLN, EUR)	0.63	0.91	0.14	0.22
<b>EBITDA<sup>[3]</sup></b>	<b>40,959</b>	<b>54,306</b>	<b>9,394</b>	<b>12,944</b>

<sup>[1]</sup> Based on average quarterly EUR/PLN exchange rate published by the National Bank of Poland (1 EUR = 4.3602 PLN in Q1 2016 and 1 EUR = 4.1956 PLN in Q1 2015).

<sup>[2]</sup> Based on total net profit.

<sup>[3]</sup> EBITDA = operating profit + depreciation and amortisation.

Source: Condensed Consolidated Interim Financial Statements, Company



Table 2: Selected data in the consolidated statement of financial position under IFRS, unaudited

	As at			
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	w PLN'000		EUR'000 <sup>[1]</sup>	
<b>Non-current assets</b>	<b>577,028</b>	<b>580,645</b>	<b>135,186</b>	<b>136,254</b>
Property, plant and equipment	122,252	125,229	28,641	29,386
Intangible assets	259,870	261,728	60,882	61,417
Investment in associates	187,221	188,570	43,862	44,250
Available-for-sale financial assets	285	282	67	66
Non-current prepayments	7,400	4,836	1,734	1,135
<b>Current assets</b>	<b>528,673</b>	<b>442,170</b>	<b>123,857</b>	<b>103,759</b>
Trade and other receivables	44,174	81,273	10,349	19,072
Available-for-sale financial assets	-	-	-	-
Cash and cash equivalents	483,935	360,393	113,376	84,570
Other current assets	564	504	132	118
<b>TOTAL ASSETS</b>	<b>1,105,701</b>	<b>1,022,815</b>	<b>259,043</b>	<b>240,013</b>
Equity attributable to the shareholders of the parent entity	747,078	720,721	175,025	169,124
Non-controlling interests	553	546	130	128
Non-current liabilities	134,420	258,799	31,492	60,729
Current liabilities	223,650	42,749	52,397	10,032
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,105,701</b>	<b>1,022,815</b>	<b>259,043</b>	<b>240,013</b>

<sup>[1]</sup> Based on the average EUR/PLN exchange rate of the National Bank of Poland as at 31.03.2016 (1 EUR = 4.2684 PLN) and 31.12.2015 (1 EUR = 4.2615 PLN).

Source: Condensed Consolidated Interim Financial Statements, Company

### III. Information about the GPW Group

#### 1. Information about the Group

##### 1.1. Background information about the Group

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

The Warsaw Stock Exchange is a leading financial instruments exchange in Emerging Markets Europe (EME)<sup>2</sup> and Central and Eastern Europe (CEE)<sup>3</sup>, and one of the fastest growing exchanges in Europe over the past years. The markets operated by GPW list stocks and bonds of more than a thousand local and international issuers. The Exchange also offers trade in derivatives and structured products, as well as information services. Close to 25 years of experience, high safety of trading, operational excellence and a broad range of products make GPW one of the most recognised Polish financial institutions in the world.

The GPW 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:	<a href="http://www.gpw.pl">www.gpw.pl</a>
E-mail:	gpw@gpw.pl
KRS (registry number):	0000082312
REGON (statistical number):	012021984
NIP (tax identification number):	526-02-50-972

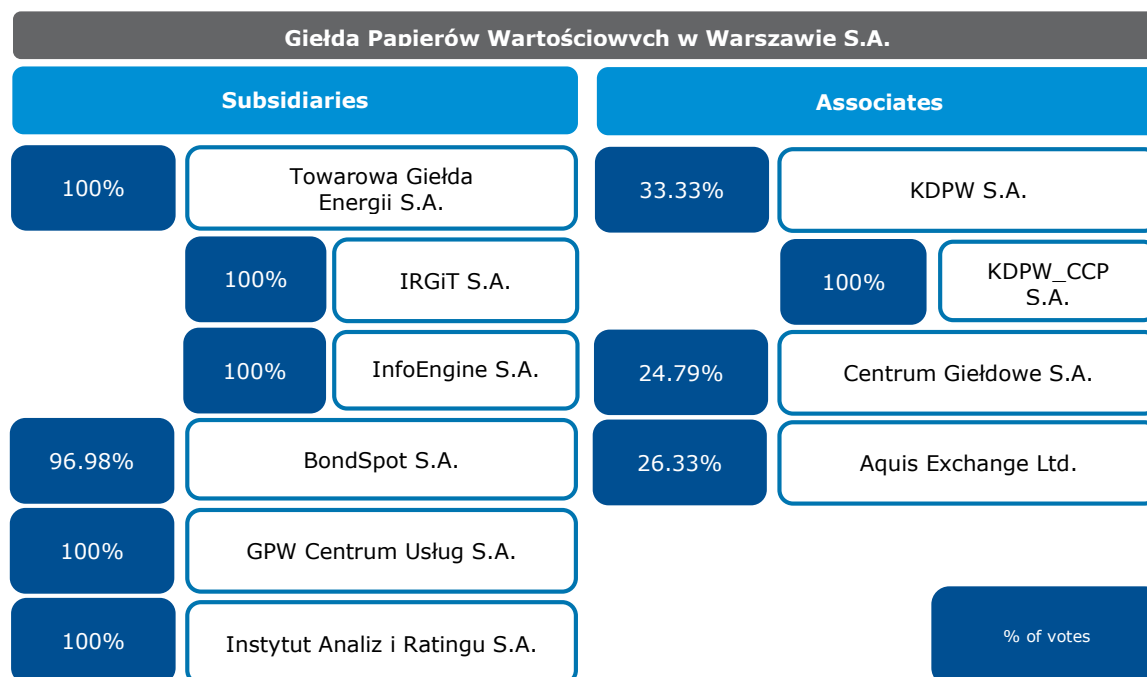
<sup>2</sup> EME – Emerging Markets Europe: Czech Republic, Greece, Hungary, Poland, Russia, Turkey.

<sup>3</sup> CEE – Central and Eastern Europe: Czech Republic, Hungary, Poland, Austria, Bulgaria, Romania, Slovakia, Slovenia.

## 1.2. Organisation of the Group and the effect of changes in its structure

As at 31 March 2016, the parent entity and four consolidated subsidiaries comprised the Giełda Papierów Wartościowych w Warszawie S.A. Group. GPW held shares in three associates.

Diagram 1 GPW Group and associates



Source: Company

The subsidiaries are consolidated using full consolidation as of the date of taking control while the associates are consolidated using equity accounting.

GPW holds 19.98% of InfoStrefa S.A. (formerly Instytut Rynku Kapitałowego WSE Research S.A.), 10% of the Ukrainian stock exchange INNEX PJSC and 1.3% of the Romanian stock exchange S.C. SIBEX – Sibiu Stock Exchange S.A. GPW operates a representative office in Kiev and has a permanent representative in London.

The Group does not hold any branches or establishments.

## 1.3. Ownership

As at the date of publication of this Report, the share capital of the Warsaw Stock Exchange was divided into 41,972,000 shares including 14,779,470 Series A preferred registered shares (one share gives two votes) and 27,192,530 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 51.76% of the total vote. The total number of votes from Series A and B shares is 56,751,470.

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 (i.e., more than 5%) did not change since the publication of the previous periodic report.

The table below presents GPW shares and allotment certificates held by the Company's and the Group's supervising and managing persons.

**Table 3:** GPW shares and allotment certificates held by the Company's and the Group's managing and supervising persons as at the date of publication of this Report

	Number of shares held	Number of allotment certificates held
<b>Exchange Management Board</b>		
Małgorzata Zaleska	-	-
Paweł Dziekoński	-	-
Dariusz Kułakowski	25	-
Grzegorz Zawada	-	-
<b>Exchange Supervisory Board</b>		
Wojciech Nagel	-	-
Jarosław Grzywiński	-	-
Jacek Lewandowski	-	-
Adam Miłoś	-	-
Ewa Sibrecht-Ośka	-	-
Marek Słomski	-	-

Source: Company

## IV. FINANCIAL POSITION AND ASSETS

### 1. Summary of results

The **GPW Group** generated EBITDA<sup>4</sup> of PLN 41.0 million in Q1 2016, a decrease of PLN 4.1 million compared to PLN 45.1 million in Q4 2015 and a decrease of PLN 13.3 million compared to PLN 54.3 million in Q1 2015.

The **GPW Group** generated an operating profit of PLN 34.6 million compared to PLN 38.1 million in Q4 2015 and PLN 48.1 million in Q1 2015. The decrease of the operating profit by PLN 3.5 million quarter on quarter in Q1 2016 resulted from lower revenue from the financial market segment (a decrease of PLN 4.5 million) combined with higher revenue from the commodity market segment (an increase of PLN 1.9 million) as well as modestly higher operating expenses (an increase of PLN 0.2 million).

The decrease of the operating profit of the **Group** by PLN 13.5 million year on year was mainly driven by lower revenue from the financial market segment (a decrease of PLN 5.8 million) and the commodity market segment (a decrease of PLN 1.2 million) as well as higher operating expenses (an increase of PLN 6.0 million) mainly as a result of presentation of entire capital market supervision fee for 2016 paid by GPW Group to PFSA in Q1 2016.

The net profit of the **Group** stood at PLN 26.3 million, PLN 28.2 million, and PLN 38.4 million, respectively, in the quarters under review.

**GPW's** EBITDA<sup>5</sup> stood at PLN 17.1 million in Q1 2016, a decrease of PLN 5.9 million compared to PLN 23.0 million in Q4 2015 and a decrease of PLN 7.9 million compared to PLN 25.0 million in Q1 2015.

**GPW** generated a separate operating profit of PLN 12.2 million in Q1 2016 compared to PLN 17.7 million in Q4 2015 and PLN 19.5 million in Q1 2015.

The decrease of **GPW's** operating profit quarter on quarter in Q1 2016 was mainly a result of lower revenue (a decrease of PLN 5.0 million) and higher other expenses (an increase of PLN 0.6 million). The decrease of revenue was mainly driven by lower revenue from trade in equities (a decrease of PLN 5.0 million). The increase of other expenses resulted from the impairment of trade receivables at the end of Q1 2016.

The decrease of the operating profit year on year in Q1 2016 was mainly a result of lower revenue (a decrease of PLN 5.2 million) and higher operating expenses (an increase of PLN 1.9 million). The decrease of revenue was mainly driven by lower revenue from trade in equities (a decrease of PLN 5.9 million). The increase of operating expenses resulted from higher salaries as well as fees and charges.

**GPW's** net profit was PLN 9.4 million in Q1 2016 compared to PLN 13.3 million in Q4 2015 and PLN 14.9 million in Q1 2015. The decrease of the net profit quarter on quarter in Q1 2016 was driven by a decrease of the operating profit and an increase by PLN 0.6 million of net financial income and expenses. At the same time, the income tax in Q1 2016 decreased by PLN 0.9 million quarter on quarter.

The decrease of the net profit year on year in Q1 2016 was driven by a decrease of the operating profit and an increase by PLN 0.6 million of net financial income and expenses. At the same time, the income tax in Q1 2016 decreased by PLN 1.1 million year on year.

The **PolPX Group** generated an operating profit of PLN 22.5 million in Q1 2016 compared to PLN 20.3 million in Q4 2015 and PLN 28.4 million in Q1 2015. The net profit of the PolPX Group

<sup>4</sup> GPW Group's operating profit before depreciation and amortisation.

<sup>5</sup> GPW's operating profit before depreciation and amortisation.

stood at PLN 18.5 million, PLN 16.2 million, and PLN 23.2 million, respectively, in the quarters under review.

**BondSpot** generated an operating profit of PLN 0.2 million in Q1 2016 compared to PLN 0.5 million in Q4 2015 and PLN 0.9 million in Q1 2015. The net profit stood at PLN 0.2 million, PLN 0.8 million, and PLN 0.8 million, respectively, in the quarters under review.

Detailed information on changes in revenues and expenses is presented in the sections below.

Table 4: Statement of comprehensive income of GPW Group in 2015 and 2016 by quarter

PLN'000	2016		2015		
	Q1	Q4	Q3	Q2	Q1
<b>Sales revenue</b>	<b>81,031</b>	<b>83,819</b>	<b>78,733</b>	<b>77,171</b>	<b>88,167</b>
<b>Financial market</b>	<b>44,488</b>	<b>48,990</b>	<b>51,508</b>	<b>49,215</b>	<b>50,242</b>
Trading	28,330	33,213	36,221	33,142	34,372
Listing	5,871	6,040	5,683	6,536	6,237
Information services	10,287	9,737	9,604	9,536	9,633
<b>Commodity market</b>	<b>36,122</b>	<b>34,243</b>	<b>26,694</b>	<b>26,890</b>	<b>37,365</b>
Trading	16,637	17,643	12,757	13,623	18,529
Register of certificates of origin	7,954	5,518	5,535	5,492	7,621
Clearing	11,531	11,083	8,402	7,775	11,215
<b>Other revenue</b>	<b>421</b>	<b>586</b>	<b>531</b>	<b>1,066</b>	<b>560</b>
<b>Operating expenses</b>	<b>46,122</b>	<b>45,910</b>	<b>43,344</b>	<b>45,047</b>	<b>40,091</b>
Depreciation and amortisation	6,370	7,013	7,010	6,619	6,195
Salaries	13,837	15,552	14,754	14,920	11,437
Other employee costs	3,192	2,676	2,517	2,958	3,275
Rent and maintenance fees	2,220	2,258	2,296	2,535	2,696
Fees and charges	11,642	5,011	6,256	6,190	6,170
<i>incl. PFSA fees</i>	<i>11,213</i>	<i>4,605</i>	<i>5,914</i>	<i>5,812</i>	<i>5,717</i>
External service charges	7,558	11,394	9,313	10,063	8,851
Other operating expenses	1,303	2,006	1,199	1,761	1,467
Other income	244	203	234	172	687
Other expenses	564	42	311	1,146	652
<b>Operating profit</b>	<b>34,589</b>	<b>38,071</b>	<b>35,312</b>	<b>31,150</b>	<b>48,111</b>
Financial income	1,963	1,863	1,997	4,406	1,675
Financial expenses	2,075	2,783	1,940	2,153	2,526
Share of profit of associates	(1,368)	(1,717)	311	(336)	212
<b>Profit before income tax</b>	<b>33,109</b>	<b>35,434</b>	<b>35,678</b>	<b>33,069</b>	<b>47,472</b>
Income tax expense	6,771	7,202	5,566	6,094	9,072
<b>Profit for the period</b>	<b>26,338</b>	<b>28,232</b>	<b>30,113</b>	<b>26,975</b>	<b>38,400</b>

Source: Condensed Consolidated Interim Financial Statements, Company

Table 5: Consolidated statement of financial position of GPW Group by quarter in 2015 and 2016

PLN'000	2016		2015		
	Q1	Q4	Q3	Q2	Q1
<b>Non-current assets</b>	<b>577,028</b>	<b>580,645</b>	<b>569,155</b>	<b>572,263</b>	<b>571,429</b>
Property, plant and equipment	122,252	125,229	109,831	112,059	116,559
Intangible assets	259,870	261,728	263,693	265,565	262,820
Investment in associates	187,221	188,570	190,346	190,057	188,352
Deferred tax assets	2,947	-	-	-	-
Available-for-sale financial assets	285	282	287	204	202
Non-current prepayments	4,453	4,836	4,998	4,378	3,496
<b>Current assets</b>	<b>528,673</b>	<b>442,170</b>	<b>425,652</b>	<b>519,743</b>	<b>484,816</b>
Inventories	71	135	145	133	180
Corporate income tax receivable	490	369	213	77	2,808
Trade and other receivables	44,174	81,273	73,394	61,380	91,519
Available-for-sale financial assets	-	-	10,616	10,573	10,551
Assets held for sale	-	-	-	807	763
Other current assets	3	-	-	-	6
Cash and cash equivalents	483,935	360,393	341,284	446,773	378,989
<b>Total assets</b>	<b>1,105,701</b>	<b>1,022,815</b>	<b>994,807</b>	<b>1,092,006</b>	<b>1,056,245</b>
<b>Equity</b>	<b>747,631</b>	<b>721,267</b>	<b>694,093</b>	<b>664,044</b>	<b>738,769</b>
Share capital	63,865	63,865	63,865	63,865	63,865
Other reserves	1,481	1,455	1,401	1,465	1,817
Retained earnings	681,732	655,401	627,886	597,769	671,918
Non-controlling interests	553	546	941	945	1,169
<b>Non-current liabilities</b>	<b>134,420</b>	<b>258,799</b>	<b>256,218</b>	<b>255,246</b>	<b>253,516</b>
Liabilities under bond issue	123,606	243,800	244,424	244,309	244,193
Employee benefits payable	4,400	4,046	2,453	2,327	2,010
Finance lease liabilities	72	84	99	113	129
Deferred income tax liability	6,342	10,869	9,242	8,497	7,184
<b>Current liabilities</b>	<b>223,650</b>	<b>42,749</b>	<b>44,496</b>	<b>172,716</b>	<b>63,960</b>
Liabilities under bond issue	122,881	682	1,814	-	1,935
Trade payables	6,182	8,597	7,879	19,634	9,974
Employee benefits payable	7,246	9,457	11,150	9,584	7,632
Finance lease liabilities	55	55	55	79	186
Corporate income tax payable	9,058	2,833	2,463	7,130	2,254
Accruals and deferred income	38,966	7,263	10,194	18,054	25,368
Provisions for other liabilities and charges	649	621	1,236	1,282	1,264
Other current liabilities	38,613	13,241	9,705	116,683	15,121
Liabilities held for sale	-	-	-	270	226
<b>Total equity and liabilities</b>	<b>1,105,701</b>	<b>1,022,815</b>	<b>994,807</b>	<b>1,092,006</b>	<b>1,056,245</b>

Source: Condensed Consolidated Interim Financial Statements, Company

## 2. Presentation of the financials

### 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 following revenues from transactions in equities. 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 were the third largest source of trading revenues on the financial market in Q1 2016. 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 GPW.

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

Listing revenues include two main elements:

- one-off fees paid for introduction of 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 InfoEngine from its activity as a trade operator, the entity responsible for balancing, and the operation of the OTC commodity platform.



Revenue on the commodity market includes the following:

- 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 InfoEngine as a trade operator, the entity responsible for balancing, and the 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 GPW and the PolPX Group, among others, from office space lease, and sponsorship. Following the sale of Instytut Rynku Kapitałowego to a third party, other revenues decreased as of Q4 2015.

The **Group's** sales revenues amounted to PLN 81.0 million in Q1 2016, a decrease of 3.3% (PLN 2.8 million) quarter on quarter and a decrease of 8.1% (PLN 7.1 million) year on year.

The decrease in sales revenues quarter on quarter in Q1 2016 was mainly driven by a decrease in revenues from the **financial market** segment by PLN 4.5 million, especially revenues from trading in equities and equity-related instruments. At the same time, revenues from the **commodity market** segment increased by PLN 1.9 million quarter on quarter.

The decrease in sales revenues year on year in Q1 2016 was mainly driven by a decrease in revenues from the **financial market** segment by PLN 5.8 million, especially revenues from trading in equities and equity-related instruments as well as debt instruments. Revenues from the **commodity market** segment also decreased, by PLN 1.2 million year on year.

The revenue of the **PolPX Group** stood at PLN 36.0 million in Q1 2016 compared to PLN 34.0 million in Q4 2015 and PLN 37.1 million in Q1 2015. The revenue of **BondSpot** in the quarters under review stood at PLN 2.7 million, PLN 2.8 million, and PLN 3.2 million, respectively.

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

**Table 6:** Consolidated revenues of GPW Group and revenue structure in selected quarters of 2015 and 2016

PLN'000, %	Three-month period ended						Change (Q1 2016 vs Q4 2015)	Change (%) (Q1 2016 vs Q4 2015)
	31 March 2016		31 December 2015		31 March 2015			
<b>Financial market</b>	<b>44,488</b>	<b>55%</b>	<b>48,990</b>	<b>58%</b>	<b>50,242</b>	<b>57%</b>	<b>(4,502)</b>	<b>-9.2%</b>
Trading revenue	28,330	35%	33,213	40%	34,372	39%	(4,883)	-14.7%
Equities and equity-related instruments	20,955	26%	25,907	31%	26,900	31%	(4,952)	-19.1%
Derivative instruments	3,142	4%	2,979	4%	2,820	3%	163	5.5%
Other fees paid by market participants	1,594	2%	1,682	2%	1,559	2%	(88)	-5.2%
Debt instruments	2,534	3%	2,560	3%	2,995	3%	(26)	-1.0%
Other cash instruments	105	0%	85	0%	98	0%	20	23.2%
Listing revenue	5,871	7%	6,040	7%	6,237	7%	(169)	-2.8%
Listing fees	5,087	6%	4,742	6%	5,051	6%	345	7.3%
Introduction fees, other fees	784	1%	1,299	2%	1,186	1%	(515)	-39.6%
Information services	10,287	13%	9,737	12%	9,633	11%	550	5.7%
Real-time information	9,632	12%	9,080	11%	9,045	10%	552	6.1%
Indices and historical and statistical information	655	1%	657	1%	588	1%	(2)	-0.3%
<b>Commodity market</b>	<b>36,122</b>	<b>45%</b>	<b>34,243</b>	<b>41%</b>	<b>37,365</b>	<b>42%</b>	<b>1,879</b>	<b>5.5%</b>
Trading revenue	16,637	21%	17,643	21%	18,529	21%	(1,006)	-5.7%
Electricity	2,655	3%	4,563	5%	3,545	4%	(1,908)	-41.8%
Spot	781	1%	714	1%	798	1%	67	9.4%
Forward	1,874	2%	3,850	5%	2,747	3%	(1,976)	-51.3%
Gas	2,497	3%	1,716	2%	2,675	3%	781	45.5%
Spot	851	1%	648	1%	313	0%	203	31.4%
Forward	1,646	2%	1,068	1%	2,362	3%	578	54.1%
Property rights in certificates of origin	9,527	12%	9,158	11%	10,486	12%	369	4.0%
Other fees paid by market participants	1,958	2%	2,206	3%	1,823	2%	(248)	-11.2%
Register of certificates of origin	7,954	10%	5,518	7%	7,621	9%	2,436	44.1%
Clearing	11,531	14%	11,083	13%	11,215	13%	448	4.0%
<b>Other revenue</b>	<b>421</b>	<b>1%</b>	<b>586</b>	<b>1%</b>	<b>560</b>	<b>1%</b>	<b>(165)</b>	<b>-28.2%</b>
<b>Total</b>	<b>81,031</b>	<b>100%</b>	<b>83,819</b>	<b>100%</b>	<b>88,167</b>	<b>100%</b>	<b>(2,788)</b>	<b>-3.3%</b>

Source: Condensed Consolidated Interim Financial Statements, Company

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

**Table 7:** Consolidated revenues of GPW Group by geographical segment in selected quarters of 2015 and 2016

PLN'000, %	Three-month period ended						Change (Q1 2016 vs Q4 2015)	Change (%) (Q1 2016 vs Q4 2015)
	31 March 2016	%	31 December 2015	%	31 March 2015	%		
Revenue from foreign customers	17,903	22%	19,574	23%	18,493	21%	(1,671)	-8.5%
Revenue from local customers	63,127	78%	64,245	77%	69,674	79%	(1,118)	-1.7%
<b>Total</b>	<b>81,031</b>	<b>100%</b>	<b>83,819</b>	<b>100%</b>	<b>88,167</b>	<b>100%</b>	<b>(2,789)</b>	<b>-3.3%</b>

Source: Condensed Consolidated Interim Financial Statements, Company

## FINANCIAL MARKET

### TRADING

The revenues of the Group from trading on the financial market stood at PLN 28.3 million in Q1 2016 compared to PLN 33.2 million in Q4 2015 and PLN 34.4 million in Q1 2015.

#### *Equities and equity-related instruments*

Revenues from trading in **equities and equity-related instruments** amounted to PLN 21.0 million in Q1 2016 compared to PLN 25.9 million in Q4 2015 and PLN 26.9 million in Q1 2015.

The decrease of revenues from trading in equities was driven by a decrease in the value of trade on the Main Market and a reduction of fees on trades on the Electronic Order Book applicable as of 1 January 2016. The value of trade decreased in Q1 2016 by 13.0% quarter on quarter (including a decrease of trade on the Electronic Order Book by 9.6% and a decrease of the value of block trades by 60.3%) and by 18.3% year on year (including a decrease of trade on the Electronic Order Book by 14.4% and a decrease of the value of block trades by 66.4%). Furthermore, the share of HVP/HVF programme participants, who pay lower fees, increased as a proportion of the total value of trade in equities.

The reduction of fees on trade on the Electronic Order Book results from changes in the financing system of capital market supervision. As of 1 January 2016, GPW reduced the transaction fees on trade in shares, allotment certificates and ETF units in the part charged on the value of an order up to PLN 100 thousand from 0.033% to 0.029% in order to share the savings resulting from the change of the structure of fees paid to PFSA in favour of market participants.

**Table 8:** Data for the markets in equities and equity-related instruments

	Three-month period ended			Change (Q1 2016 vs Q4 2015)	Change (%) (Q1 2016 vs Q4 2015)
	31 March 2016	31 December 2015	31 March 2015		
<b>Financial market, trading revenue: equities and equity-related instruments (PLN million)</b>	<b>21.0</b>	<b>25.9</b>	<b>26.9</b>	<b>(4.9)</b>	<b>-19.1%</b>
<b>Main Market:</b>					
Value of trading (PLN billion)	45.9	52.8	56.2	(6.9)	-13.0%
Volume of trading (billions of shares)	3.9	4.1	4.2	(0.1)	-3.3%
<b>NewConnect:</b>					
Value of trading (PLN billion)	0.4	0.6	0.5	(0.2)	-29.9%
Volume of trading (billions of shares)	1.0	1.1	1.2	(0.2)	-13.5%

Source: Condensed Consolidated Interim Financial Statements, Company

## Derivatives

Revenues of the Group from transactions in **derivatives** on the financial market amounted to PLN 3.1 million in Q1 2016 compared to PLN 3.0 million in Q4 2015 and PLN 2.8 million in Q1 2015.

The revenues from transactions in derivatives increased by 5.5% quarter on quarter in Q1 2016 and the volume of trade increased by 1.9% (including trade in WIG20 futures by 6.8%). The volume of trade decreased by 11.8% year on year in Q1 2016; however, the volume of trade in WIG20 futures increased by 12.6%.

Table 9: Data for the derivatives market

	Three-month period ended			Change (Q1 2016 vs Q4 2015)	Change (%) (Q1 2016 vs Q4 2015)
	31 March 2016	31 December 2015	31 March 2015		
<b>Financial market, trading revenue: derivatives (PLN million)</b>	<b>3.1</b>	<b>3.0</b>	<b>2.8</b>	<b>0.1</b>	<b>5.5%</b>
Volume of trading in derivatives (millions of contracts):	1.9	1.9	2.2	0.0	1.9%
incl.: Volume of trading in WIG20 futures (millions of contracts)	1.2	1.2	1.1	0.0	6.8%

Source: Condensed Consolidated Interim Financial Statements, Company

## Other fees paid by market participants

Revenues of the Group from **other fees** paid by market participants were stable in the quarters under review and stood at PLN 1.6 million in Q1 2016 compared to PLN 1.7 million in Q4 2015 and PLN 1.6 million in Q1 2015. The fees mainly include fees for access to the trading system (among others, licence fees, connection fees and maintenance fees) as well as fees for use of the system.

## Debt instruments

Revenues of the Group from transactions in **debt instruments** stood at PLN 2.5 million in Q1 2016 compared to PLN 2.6 million in Q4 2015 and PLN 3.0 million in Q1 2015. The majority of the Group's revenues from the debt instruments segment is generated by Treasury BondSpot Poland (TBSP).

The stable revenues quarter on quarter in Q1 2016 were a result of an increase in the value of cash transactions on TBS Poland by 8% and a decrease in the value of conditional transactions by 71%. The decrease of revenues year on year in Q1 2016 was driven by a decrease of the value of cash transactions on TBS Poland by 32% and a decrease in the value conditional transactions by 66%. The trading revenue on the TBS Poland market is driven among others by the structure of fees on the market and does not reflect directly changes in the value of trading.

The decrease of the value of trade on TBSP was driven among others by measures taken by banks to reduce their balance sheets, resulting in less active trading on the market in government bonds (especially in the repo segment). In Q1 2016, TBSP started to offer a new functionality: Mid Price Fixing, which supports closing of transactions during the Mid Price Fixing session. Such transactions are closed at a fixed Mid Price which is determined at the opening and remains binding until the close of the Mid Price Fixing session.

The value of trading on Catalyst decreased by 26.3% quarter on quarter in Q1 2016. Revenues from Catalyst have a small share in the Group's total revenues from transactions in debt instruments.

Table 10: Data for the debt instruments market

	Three-month period ended			Change (Q1 2016 vs Q4 2015)	Change (%) (Q1 2016 vs Q4 2015)
	31 March 2016	31 December 2015	31 March 2015		
<b>Financial market, trading revenue: debt instruments (PLN million)</b>	<b>2.5</b>	<b>2.6</b>	<b>3.0</b>	<b>(0.1)</b>	<b>-1.0%</b>
<b>Catalyst:</b>					
Value of trading (PLN billion)	0.6	0.8	0.6	(0.2)	-26.3%
incl.: Value of trading in non-Treasury instruments (PLN billion)	0.4	0.5	0.5	(0.1)	-27.2%
<b>Treasury BondSpot Poland, value of trading:</b>					
Conditional transactions (PLN billion)	21.0	71.4	61.1	(50.4)	-70.5%
Cash transactions (PLN billion)	63.4	58.5	92.6	4.9	8.4%

Source: Condensed Consolidated Interim Financial Statements, Company

### *Other cash market instruments*

Revenues from transactions in **other cash market instruments** amounted to PLN 0.11 million in Q1 2016 compared to PLN 0.09 million in Q4 2015 and PLN 0.1 million in Q1 2015. The revenues include fees for trading in structured products, investment certificates, ETF units and warrants.

## **LISTING**

**Listing** revenues on the financial market amounted to PLN 5.9 million in Q1 2016 compared to PLN 6.0 million in Q4 2015 and PLN 6.2 million in Q1 2015.

Revenues from **listing fees** amounted to PLN 5.1 million in Q1 2016 compared to PLN 4.7 million in Q4 2015 and PLN 5.1 million in Q1 2015. The main driver of revenues from listing fees is the number of issuers listed on the GPW markets and their capitalisation at the end of the previous year. The decrease of capitalisation of companies listed on the GPW Main Market year on year at the end of 2015 did not cause a decrease of listing fees owing to the structure of changes in the capitalisation of companies and the structure of fees (max charge for annual fee is PLN 70 thousand).

Revenues from **fees for introduction and other fees** amounted to PLN 0.8 million in Q1 2016 compared to PLN 1.3 million in Q4 2015 and PLN 1.2 million in Q1 2015. The revenues are driven mainly by the number and value of new listings on the GPW markets.

The listing revenue on the GPW Main Market was stable quarter on quarter in Q1 2016. The table below presents the key financial and operating figures.

Table 11: Data for the GPW Main Market

	Three-month period ended			Change (Q1 2016 vs Q4 2015)	Change (%) (Q1 2016 vs Q4 2015)
	31 March 2016	31 December 2015	31 March 2015		
<b>Main Market</b>					
<b>Listing revenue (PLN million)</b>	<b>4.9</b>	<b>5.0</b>	<b>5.2</b>	<b>(0.1)</b>	<b>-2.6%</b>
Total capitalisation of listed companies (PLN billion)	1,000.1	1,082.9	1,319.4	(82.8)	-7.6%
including: Capitalisation of listed domestic companies	543.7	516.8	618.2	26.9	5.2%
including: Capitalisation of listed foreign companies	456.3	566.1	701.2	(109.7)	-19.4%
Total number of listed companies	484	487	471	(3)	-0.6%
including: Number of listed domestic companies	431	433	420	(2)	-0.5%
including: Number of listed foreign companies	53	54	51	(1)	-1.9%
Value of offerings (IPO and SPO) (PLN billion) *	0.8	1.7	35.7	(0.9)	-54.4%
Number of new listings (in the period)	2	15	2	(13)	-86.7%
Capitalisation of new listings (PLN billion)	0.3	1.8	0.2	(1.5)	-81.6%
Number of delistings	5	4	2	1	25.0%
Capitalisation of delistings** (PLN billion)	1.9	6.8	0.1	(4.9)	-72.1%

\* including SPOs of Santander Bank at PLN 33.0 billion in Q1 2015

\*\* based on market capitalisation at the time of delisting

Source: Company

Listing revenues from NewConnect were stable quarter on quarter in Q1 2016. The table below presents the key financial and operating figures.

Table 12: Data for NewConnect

	Three-month period ended			Change (Q1 2016 vs Q4 2015)	Change (%) (Q1 2016 vs Q4 2015)
	31 March 2016	31 December 2015	31 March 2015		
<b>NewConnect</b>					
<b>Listing revenue (PLN million)</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>0.0</b>	<b>0.7%</b>
Total capitalisation of listed companies (PLN billion)	8.9	8.7	9.9	0.2	2.4%
including: Capitalisation of listed domestic companies	8.6	8.4	9.6	0.2	2.1%
including: Capitalisation of listed foreign companies	0.3	0.2	0.3	0.0	11.1%
Total number of listed companies	418	418	428	-	0.0%
including: Number of listed domestic companies	409	408	418	1	0.2%
including: Number of listed foreign companies	9	10	10	(1)	-10.0%
Value of offerings (IPO and SPO) (PLN billion) *	0.03	0.05	0.13	(0.02)	-31.3%
Number of new listings (in the period)	4	2	1	2	100.0%
Capitalisation of new listings (PLN billion)	0.14	0.13	0.06	0.00	0.6%
Number of delistings*	4	15	4	(11)	-73.3%
Capitalisation of delistings** (PLN billion)	0.28	0.73	0.23	(0.45)	-61.1%

\* includes companies which transferred to the Main Market

\*\* based on market capitalisation at the time of delisting

Source: Company

Listing revenues from Catalyst remained stable quarter on quarter in Q1 2016. The table below presents the key financial and operating figures.

Table 13: Data for Catalyst

	Three-month period ended			Change (Q1 2016 vs Q4 2015)	Change (%) (Q1 2016 vs Q4 2015)
	31 March 2016	31 December 2015	31 March 2015		
<b>Catalyst</b>					
<b>Listing revenue (PLN million)</b>	<b>0.4</b>	<b>0.5</b>	<b>0.5</b>	<b>0.0</b>	<b>-9.8%</b>
Number of issuers	196	192	194	4	2.1%
Number of issued instruments	546	532	524	14	2.6%
including: non-Treasury instruments	507	496	493	11	2.2%
Value of issued instruments (PLN billion)	646.5	613.1	568.3	33.4	5.4%
including: non-Treasury instruments	71.1	69.6	65.7	1.5	2.2%

Source: Company

## INFORMATION SERVICES

Revenues from **information services** amounted to PLN 10.3 million in Q1 2016 compared to PLN 9.7 million in Q4 2015 and PLN 9.6 million in Q1 2015. The increase in revenue was driven by a dynamic growth in the number of subscribers of non-display data as well as an increase of the monthly subscription fee for the best 5 ask/bid prices paid by institutional subscribers other than exchange members.

Table 14: Data for information services

	Three-month period ended			Change (Q1 2016 vs Q4 2015)	Change (%) (Q1 2016 vs Q4 2015)
	31 March 2016	31 December 2015	31 March 2015		
<b>Revenues from information services (PLN million)</b>	<b>10.3</b>	<b>9.7</b>	<b>9.6</b>	<b>0.6</b>	<b>5.7%</b>
Number of data vendors	52	54	58	(2)	-3.7%
Number of subscribers ('000 subscribers)	224.2	221.1	241.1	3.1	1.4%

Source: Condensed Consolidated Interim Financial Statements, Company

## COMMODITY MARKET

Revenues on the commodity market include mainly the revenues of the PolPX Group.

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

Revenues of the GPW Group on the commodity market stood at PLN 36.1 million in Q1 2016 compared to PLN 34.2 million in Q4 2015 and PLN 37.4 million in Q1 2015.

The increase of revenues on the commodity market quarter on quarter in Q1 2016 was mainly driven by an increase in revenues from operation of the register of certificates of origin, trade in gas, trade in property rights in certificates of origin, as well as clearing. On the other hand, revenues from trading in electricity decreased.

The Group's revenue on the commodity market decreased by PLN 1.2 million year on year in Q1 2016. The decrease in revenue was mainly driven by lower revenues from trade in property rights in certificates of origin and trading in electricity.

## TRADING

Revenues from trading on the commodity market stood at PLN 16.6 million in Q1 2016, a decrease compared to PLN 17.6 million in Q4 2015 and PLN 18.5 million in Q1 2015.

Trading revenues of the GPW Group on the commodity market amounted to PLN 16.6 million in Q1 2016, including PLN 0.8 million of revenues from spot transactions in electricity, PLN 1.9 million of revenues from forward transactions in electricity, PLN 0.9 million of revenues from spot transactions in gas, PLN 1.6 million of revenues from forward transactions in gas, PLN 9.5 million of revenues from transactions in property rights in certificates of origin of electricity, and PLN 2.0 million of other fees paid by market participants.

The Group's revenues from **trade in electricity** amounted to PLN 2.7 million in Q1 2016 compared to PLN 4.6 million in Q4 2015 and PLN 3.5 million in Q1 2015. The total volume of trading on the energy markets operated by PolPX amounted to 33.3 TWh in Q1 2016 compared to 58.9 TWh in Q4 2015 and PLN 45.7 TWh in Q1 2015.

The decrease in revenues from trading in electricity quarter on quarter in Q1 2016 was due to a lower volume of forward transactions. The volume of forward transactions decreased by 49.9% while the volume of cash transactions increased by 6.0%. The decrease in the volume of trade in electricity quarter on quarter in Q1 2016 was due to a low volume of trade in electricity under annual contracts for next year's delivery, which could be driven by the distribution of the activity of market participants in other quarters of the year 2016, uncertainty about further development of legal regulations governing the energy market, as well as changes in the organisation of trade in energy within energy companies.

The decrease in revenues from trading in electricity year on year in Q1 2016 was due to a lower volume of forward transactions. The volume of transactions was record-high in Q1 2015 compared to the first quarters of previous years.

The Group's revenues from **trade in gas** amounted to PLN 2.5 million in Q1 2016 compared to PLN 1.7 million in Q4 2015 and PLN 2.7 million in Q1 2015. The volume of trade in natural gas on PolPX was 30.2 TWh in Q1 2016 compared to 20.4 TWh in Q4 2015 and 35.5 TWh in Q1 2015.

The increase in the volume of trade quarter on quarter in Q1 2016 was driven by the seasonality of the gas market. On a year-on-year basis, falling gas prices driven by oil prices and weather conditions (a warm winter) resulted in an increase of the volume of spot transactions at the expense of trade on the forward market.

The Group's revenue from the operation of **trading in property rights** stood at PLN 9.5 million in Q1 2016 compared to PLN 9.2 million in Q4 2015 and PLN 10.5 million in Q1 2015. The volume of trading in property rights stood at 16.8 TWh in Q1 2016, which was more than 12.9 TWh in Q4 2015 and less than 18.8 TWh in Q1 2015.

The volume of trade in property rights in green certificates of origin of electricity was 7.2 TWh in Q1 2016 compared to 7.7 TWh in Q4 2015 and 8.7 TWh in Q1 2015. The revenue from trade in property rights in green certificates of origin of electricity (PMOZE) represented 70%, 77%, and 78%, respectively, of the Group's total revenue from trade in property rights in the quarters under review. The share of other instruments, in particular red certificates (PMEC), yellow certificates (PMGM), and white certificates (PMEF), increased to 29%, 22%, and 20%, respectively, of the revenue from trade in property rights in the quarters under review.

Revenues of the Group from **other fees paid by commodity market participants** amounted to PLN 2.0 million in Q1 2016 compared to PLN 2.2 million in Q4 2015 and PLN 1.8 million in Q1 2015. Other fees paid by commodity market participants included fees paid by PolPX market participants and revenues of InfoEngine from the activity of trade operator.

Other fees paid by market participants are driven mainly by revenues from fixed market participation fees, fees for cancellation of transactions, fees for position transfers, fees for reporting of transactions under RRM (Registered Reporting Mechanism), fees for access



to the system, and fees for management of the resources of the guarantee fund. Other fees paid by market participants depend mainly on the activity of WCCH Members, in particular the number of transactions, the number of new clients of brokerage houses, and the number of new users accessing the clearing system.

Table 15: Data for the commodity market

	Three-month period ended			Change (Q1 2016 vs Q4 2015)	Change (%) (Q1 2016 vs Q4 2015)
	31 March 2016	31 December 2015	31 March 2015		
<b>Commodity market - trading revenue (PLN million)</b>	<b>16.6</b>	<b>17.6</b>	<b>18.5</b>	<b>(1.0)</b>	<b>-5.7%</b>
Volume of trading in electricity					
Spot transactions (TWh)	7.3	6.9	7.1	0.4	6.0%
Forward transactions (TWh)	26.1	52.1	38.6	(26.0)	-49.9%
Volume of trading in gas					
Spot transactions (TWh)	7.8	5.7	2.8	2.1	37.6%
Forward transactions (TWh)	22.3	14.7	32.6	7.6	52.0%
Volume of trading in property rights (PolPX) (TWh)	16.8	12.9	18.8	3.9	30.0%

Source: Condensed Consolidated Interim Financial Statements, Company

## REGISTER OF CERTIFICATES OF ORIGIN

Revenues from the operation of the **Register of Certificates of Origin** amounted to PLN 8.0 million in Q1 2016 compared to PLN 5.5 million in Q4 2015 and PLN 7.6 million in Q1 2015. The increase in the revenues quarter on quarter in Q1 2016 was due mainly to a high revenue from cancellation of green certificates of origin (PMOZE) and less so from higher revenue from issued and cancelled property rights.

Table 16: Data for the Register of Certificates of Origin

	Three-month period ended			Change (Q1 2016 vs Q4 2015)	Change (%) (Q1 2016 vs Q4 2015)
	31 March 2016	31 December 2015	31 March 2015		
<b>Commodity market - revenue from operation of the Register of Certificates of Origin of electricity (PLN million)</b>	<b>8.0</b>	<b>5.5</b>	<b>7.6</b>	<b>2.4</b>	<b>44.1%</b>
Issued property rights (TWh)	16.7	9.5	17.5	7.1	75.0%
Cancelled property rights (TWh)	9.8	0.0	4.3	9.8	-

Source: Condensed Consolidated Interim Financial Statements, Company

## CLEARING

The Group earns revenue from the **clearing activities** of WCCH, which is a subsidiary of PolPX. The revenue stood at PLN 11.5 million in Q1 2016 compared to PLN 11.1 million in Q4 2015 and PLN 11.2 million in Q1 2015. The increase in the revenue quarter on quarter in Q1 2016 was driven by higher volumes on the market gas in and cogeneration certificates of origin. The increase in the revenue year on year in Q1 2016 was due to the expiration of promotional fees on clearing of trade in gas.

## OTHER REVENUES

The Group's other revenues amounted to PLN 0.4 million in Q1 2016 compared to PLN 0.6 million in Q4 2015 and in Q1 2015. The Group's other revenues include mainly revenues from office space lease and sponsorship.

## OPERATING EXPENSES

Total operating expenses of the **GPW Group** amounted to PLN 46.1 million in Q1 2016, representing an increase of PLN 0.2 million (0.5%) quarter on quarter and an increase of PLN 6.0 million (15.0%) year on year.

Separate operating expenses of **GPW** stood at PLN 29.7 million in Q1 2016, which was stable quarter on quarter and an increase of PLN 1.9 million (6.7%) year on year. Operating expenses of the **PoIPX Group** stood at PLN 13.6 million in Q1 2016 compared to PLN 13.6 million in Q4 2015 and PLN 9.0 million in Q1 2015. Operating expenses of **BondSpot** in the quarters under review stood at PLN 2.5 million, PLN 2.3 million, and PLN 2.4 million, respectively.

Table 17: Consolidated operating expenses of GPW Group and structure of operating expenses in selected quarters of 2015 and 2016

PLN'000, %	Three-month period ended						Change (Q1 2016 vs Q4 2015)	Change (%) (Q1 2016 vs Q4 2015)
	31 March 2016		31 December 2015		31 March 2015			
Depreciation and amortisation	6,370	14%	7,013	15%	6,195	15%	(643)	-9.2%
Salaries	13,837	30%	15,552	34%	11,437	29%	(1,715)	-11.0%
Other employee costs	3,192	7%	2,676	6%	3,275	8%	516	19.3%
Rent and other maintenance fees	2,220	5%	2,258	5%	2,696	7%	(38)	-1.7%
Fees and charges	11,642	25%	5,011	11%	6,170	15%	6,631	132.3%
<i>including: PFSA fees</i>	11,213	24%	4,605	10%	5,717	14%	6,608	143.5%
External service charges	7,558	16%	11,394	25%	8,851	22%	(3,836)	-33.7%
Other operating expenses	1,303	3%	2,006	4%	1,467	4%	(703)	-35.0%
<b>Total</b>	<b>46,122</b>	<b>100%</b>	<b>45,910</b>	<b>100%</b>	<b>40,091</b>	<b>100%</b>	<b>212</b>	<b>0.5%</b>

Source: Condensed Consolidated Interim Financial Statements, Company

The increase in consolidated expenses **quarter on quarter** in Q1 2016 were due to the recognition of all fees paid by the GPW Group towards PFSA for capital market supervision under the expenses of Q1 2016, as discussed in the section "Fees and charges". All the other categories of operating expenses decreased. **Year on year**, fees and charges increased for the same reason. In addition, salaries also increased due to the recognition of a one-off adjustment (release of provisions for retirement and disability severance pay and provisions for jubilee awards) which reduced the costs of Q1 2015. All the other categories of operating expenses decreased or remained stable.

Table 18: Separate operating expenses of GPW and structure of operating expenses in selected quarters of 2015 and 2016

PLN'000, %	Three-month period ended						Change (Q1 2016 vs Q4 2015)	Change (%) (Q1 2016 vs Q4 2015)
	31 March 2016		31 December 2015		31 March 2015			
Depreciation and amortisation	4,901	16%	5,257	18%	5,470	20%	(355)	-6.8%
Salaries	8,128	27%	8,529	29%	5,048	18%	(400)	-4.7%
Other employee costs	2,206	7%	1,745	6%	2,194	8%	461	26.4%
Rent and other maintenance fees	1,507	5%	1,623	5%	2,021	7%	(116)	-7.1%
Fees and charges	6,764	23%	4,464	15%	5,731	21%	2,301	51.5%
<i>including: PFSA fees</i>	6,611	22%	4,279	14%	5,549	20%	2,333	54.5%
External service charges	5,270	18%	6,880	23%	6,364	23%	(1,610)	-23.4%
Other operating expenses	928	3%	1,252	4%	1,013	4%	(323)	-25.8%
<b>Total</b>	<b>29,705</b>	<b>100%</b>	<b>29,748</b>	<b>100%</b>	<b>27,842</b>	<b>100%</b>	<b>(44)</b>	<b>-0.1%</b>

Source: Company

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

#### *Depreciation and amortisation*

Depreciation and amortisation charges stood at PLN 6.4 million in Q1 2016 compared to PLN 7.0 million in Q4 2015 and PLN 6.2 million in Q1 2015. The decrease in depreciation and amortisation charges quarter on quarter in Q1 2016 was driven by a decrease of depreciation and amortisation charges in GPW by PLN 0.4 million following the completion of depreciation of property, plant and equipment of the UTP system in 2015. At the same time, depreciation and amortisation charges in PolPX decreased by PLN 0.3 million as a result of inventory adjustments at the end of 2015.

#### *Salaries and other employee costs*

Salaries and other employee costs amounted to PLN 17.0 million in Q1 2016 compared to PLN 18.2 million in Q4 2015 and PLN 14.7 million in Q1 2015.

The decrease of salaries quarter on quarter in Q1 2016 was mainly driven by a decrease of PolPX salaries by PLN 1.3 million. PolPX salaries decreased due to one-time recognition of provisions against bonuses for the Management Board in Q4 2015, which added to the costs of Q4 2015.

Salaries increased by PLN 2.3 million year on year in Q1 2016. Salaries were lower in Q1 2015 due to changes of the jubilee award system and the retirement and disability severance pay system and the resulting release of provisions for retirement and disability severance pay and provisions for jubilee awards, which reduced the costs of Q1 2015 by PLN 3.5 million.

The headcount of the Group was 350 FTEs as at 31 March 2016.

Table 19: Employment in GPW Group

# FTEs	As at		
	31 March 2016	31 December 2015	31 March 2015
GPW	200	201	195
Subsidiaries	150	150	152
<b>Total</b>	<b>350</b>	<b>351</b>	<b>347</b>

Source: Company

#### *Rent and other maintenance fees*

Rent and other maintenance fees amounted to PLN 2.2 million in Q1 2016 compared to PLN 2.3 million in Q4 2015 and PLN 2.7 million in Q1 2015. Rental contracts for NewConnect and Catalyst rooms and an archive space in the Centrum Giełdowe building were terminated at the end of May 2015, reducing the cost of rent and maintenance fees by ca. PLN 100 thousand per month as of June 2015.

#### *Fees and charges*

Fees and charges stood at PLN 11.6 million in Q1 2016 compared to PLN 5.0 million in Q4 2015 and PLN 6.2 million in Q1 2015. The main component of fees and charges are capital market supervision fees paid by GPW to PFSA. GPW's fees paid to PFSA stood at PLN 11.2 million, PLN 4.6 million, and PLN 5.7 million, respectively, in the quarters under review.

The Act of 12 June 2015 amending the Capital Market Supervision Act and certain other Acts has largely extended the list of entities required to finance supervision (by adding, among others, banks, insurers, investment funds, public companies, brokerage houses and foreign investment firms) and increased the amount of contributions of entities. As a result, the cost paid by the GPW

Group may be reduced significantly in 2016 and beyond compared to PLN 22.0 million paid in 2015 (by approximately a half in the GPW Group). At the same time, GPW reduced the transaction fees on trade in shares, rights to shares and ETF units in the part charged on the value of an order up to PLN 100 thousand from 0.033% to 0.029% as of 1 January 2016 in order to share the savings resulting from the change of the structure of fees paid to PFSA in favour of market participants. The reduction of the fees paid to PFSA combined with the reduction of the trading fees offered by GPW will result in a commensurate decrease of both revenue and operating expenses of the GPW Group throughout 2016.

Following an amendment of regulations governing fees paid to cover the cost of supervision of the capital market and in view of the provisions of an interpretation of the International Financial Reporting Interpretations Committee (IFRIC 21), the GPW Group has decided to change the timing of recognition of liabilities in respect of fees due to PFSA and of charging the fees to costs. Previously, GPW recognised 1/12 of the annual fee due to PFSA in each month of the year. Starting in 2016, the GPW Group will recognise the total liabilities and costs in respect of annual fees due to PFSA in the first quarter of each year. As a result of the modified presentation of fees due to PFSA, the GPW Group's operating expenses in Q1 2016 include the entire fee at PLN 11 million. However, the GPW Group's operating expenses in subsequent quarters of the year will not include the annual fee due to PFSA, which will reduce them by approximately PLN 2.7 million per quarter compared to a steady distribution of the fees over the year. The modification is a purely presentational movement between different quarters. It will not affect the GPW Group's annual results.

### External service charges

External service charges amounted to PLN 7.6 million in Q1 2016 compared to PLN 11.4 million in Q4 2015 and PLN 8.9 million in Q1 2015.

**Table 20:** Consolidated external service charges of GPW Group and structure of external service charges in selected quarters of 2015 and 2016

PLN'000, %	Three-month period ended						Change (Q1 2016 vs Q4 2015)	Change (%) (Q1 2016 vs Q4 2015)
	31 March 2016		31 December 2015		31 March 2015			
IT cost:	4,906	65%	5,931	52%	5,059	57%	(1,025)	-17.3%
<i>IT infrastructure maintenance</i>	2,998	40%	3,760	33%	3,147	36%	(762)	-20.3%
<i>TBSP maintenance service</i>	454	6%	303	3%	294	3%	151	50.0%
<i>Data transmission lines</i>	1,424	19%	1,386	12%	1,468	17%	38	2.7%
<i>Software modification</i>	30	0%	482	4%	150	2%	(452)	-93.8%
Office and office equipment maintenance:	511	7%	756	7%	590	7%	(245)	-32.4%
<i>Repair and maintenance of installations</i>	81	1%	295	3%	156	2%	(214)	-72.5%
<i>Security</i>	198	3%	210	2%	199	2%	(12)	-5.6%
<i>Cleaning</i>	121	2%	118	1%	117	1%	3	2.5%
<i>Phone and mobile phone services</i>	111	1%	133	1%	117	1%	(22)	-16.5%
Leasing, rental and maintenance of vehicles	143	2%	148	1%	127	1%	(5)	-3.2%
Transportation services	42	1%	108	1%	26	0%	(66)	-61.1%
Promotion, education, market development	555	7%	1,700	15%	1,252	14%	(1,145)	-67.4%
Market liquidity support	112	1%	248	2%	253	3%	(136)	-54.9%
Advisory (including: audit, legal services, business consulting)	548	7%	1,489	13%	869	10%	(941)	-63.2%
Information services	244	3%	199	2%	152	2%	45	22.4%
Training	116	2%	608	5%	110	1%	(492)	-80.9%
Mail fees	25	0%	23	0%	16	0%	2	9.2%
Bank fees	33	0%	27	0%	25	0%	6	23.0%
Translation	100	1%	62	1%	93	1%	38	62.0%
Other	223	3%	96	1%	278	3%	127	132.8%
<b>Total</b>	<b>7,558</b>	<b>100%</b>	<b>11,394</b>	<b>100%</b>	<b>8,851</b>	<b>100%</b>	<b>(3,836)</b>	<b>-33.7%</b>

Source: Condensed Consolidated Interim Financial Statements

The decrease of external service charges quarter on quarter was mainly driven by the PolPX Group (a decrease of PLN 2.4 million) and GPW (a decrease of PLN 1.6 million). External service charges in Q1 2016 compared to Q4 2015 were driven by the following factors:

- decrease of the PolPX Group's costs as a result of one-off costs in Q4 2015 including the launch of the LITPOL link, the launch of the PolPX financial market, the cost of research and preparation for registration of WCCH as a CCP and participation in Price Coupling of Regions (PCR). At the same time, some of the external service charges scheduled for Q1 2016 were postponed.
- reduction of GPW's costs driven by a PLN 0.9 million decrease of the cost of promotion related to GPW's development and image projects, a PLN 0.3 million decrease of the cost of training, and a PLN 0.1 million decrease respectively of the cost of advisory, and market liquidity support.

### Other operating expenses

Other operating expenses amounted to PLN 1.3 million in Q1 2016 including the cost of material and energy consumption at PLN 0.8 million, industry organisation membership fees at PLN 0.1 million, non-life insurance at PLN 0.1 million, business travel at PLN 0.2 million, and other costs at PLN 0.1 million.

Compared to PLN 2.0 million in Q4 2015, the decrease of expenses in Q1 2016 was mainly due to a reduction by PLN 0.2 million respectively in costs of: material and electricity consumption, business travel and other costs.

## OTHER INCOME AND EXPENSES

**Other income** of the Group stood at PLN 0.2 million in Q1 2016 compared to PLN 0.2 million in Q4 2015 and PLN 0.7 million in Q1 2015. Other income includes damages and donations received, gains on the sale of property, plant and equipment, reversal of impairment write-downs of receivables and investments, as well as other income.

**Other expenses** of the Group stood at PLN 0.6 million in Q1 2016 compared to PLN 0.04 million in Q4 2015 and PLN 0.7 million in Q1 2015. Other expenses include donations paid, losses on the sale of property, plant and equipment, impairment write-downs of receivables and investments and provisions against damages.

## FINANCIAL INCOME AND EXPENSES

**Financial income** of the Group stood at PLN 2.0 million in Q1 2016, PLN 1.9 million in Q4 2015 and PLN 1.7 million in Q1 2015. Financial income includes mainly interest on bank deposits, as well as positive FX differences.

**Financial expenses** of the Group stood at PLN 2.1 million in Q1 2016 compared to PLN 2.8 million in Q4 2015 and PLN 2.5 million in Q1 2015.

In December 2011 and February 2012, GPW 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.

On 18 September 2015, GPW announced its intention to buy back series A and B bonds issued by GPW from bond holders for cancellation. On 29 September 2015, the GPW Management Board passed a resolution on the issue of series C unsecured bearer bonds. The bonds were issued on 6 October 2015.

On 6 October 2015, GPW issued 1,250,000 series C bearer bonds in a total nominal amount of PLN 125,000,000. The nominal amount and the issue price was PLN 100 per bond. The series C bonds bear interest at a fixed rate of 3.19% p.a. Interest on the bonds is paid semi-annually. The bonds are due for redemption on 6 October 2022 against the payment of the nominal value to the bond holders. GPW has introduced the bonds into the alternative trading system on Catalyst.

On 12 October 2015, GPW completed the purchase of its series A and B bonds from bond holders at a price of PLN 101.20 per bond. On 6-12 October 2015, GPW bought back 1,245,163 bonds for a total price of PLN 126,010,495.60. The early redemption of the series A and B bonds was paid for with cash raised by GPW through the issue of series C bonds.

Interest on the bonds is the main contributor to the financial expenses of the Company. The interest rate on the series A and B bonds is 2.94% p.a. in H1 2016 compared to 2.96% in H2 2015. The series C bonds bear interest at a fixed rate of 3.19% p.a.

## SHARE OF PROFIT OF ASSOCIATES

The Group's share of profit of associates stood at a negative PLN 1.4 million in Q1 2016 compared to a negative PLN 1.7 million in Q4 2015 and a positive PLN 0.2 million in Q1 2015.

The Group's share of the **KDPW Group** loss was PLN 0.3 million in Q1 2016 compared to a loss of PLN 0.1 million in Q4 2015 and a profit of PLN 1.6 million in Q1 2015. The net profit

of the KDPW Group was due to the recognition of the entire fee for capital market supervision (amounting to PLN 9.3 million) due for 2016 in Q1 2016, the same as for the GPW Group.

The share in the net profit of **Centrum Gieldowe** was PLN 0.15 million in Q1 2016 compared to a loss of PLN 0.11 million in Q4 2015 and a profit of PLN 0.04 million in Q1 2015. The volatility of the profit of Centrum Gieldowe in the periods under review resulted mainly from fx differences and payment amounts and dates of the company's US\$ denominated loan.

The Group's share of the loss of **Aquis Exchange Ltd** was PLN 1.2 million in Q1 2016 compared to PLN 1.5 million in Q4 2015 and in Q1 2015.

Table 21: Profit / (Loss) of associates

PLN'000	Three-month period ended			Change (Q1 2016 vs Q4 2015)	Change (%) (Q1 2016 vs Q4 2015)
	31 March 2016	31 December 2015	31 March 2015		
KDPW S.A. Group	(847)	(174)	4,944	(673)	385.9%
Centrum Gieldowe S.A.	608	(444)	154	1,052	-237.0%
Aquis Exchange Ltd	(4,696)	(5,867)	(4,913)	1,171	-20.0%
<b>Total</b>	<b>(4,934)</b>	<b>(6,485)</b>	<b>186</b>	<b>1,551</b>	<b>-23.9%</b>

Source: Company

Table 22: GPW's share of profit / (loss) of associates

PLN'000	Three-month period ended			Change (Q1 2016 vs Q4 2015)	Change (%) (Q1 2016 vs Q4 2015)
	31 March 2016	31 December 2015	31 March 2015		
KDPW S.A. Group	(282)	(58)	1,648	(224)	385.9%
Centrum Gieldowe S.A.	151	(110)	38	261	-237.0%
Aquis Exchange Ltd	(1,237)	(1,549)	(1,474)	312	-20.0%
<b>Total</b>	<b>(1,368)</b>	<b>(1,717)</b>	<b>212</b>	<b>349</b>	<b>-20.3%</b>

Source: Company

## INCOME TAX

Income tax of the Group was PLN 6.8 million in Q1 2016 compared to PLN 7.2 million in Q4 2015 and PLN 9.1 million in Q1 2015. The **effective income tax rate** in the periods under review was 20.5%, 20.3%, and 19.1%, respectively, as compared to the standard Polish corporate income tax rate of 19%.

Income tax **paid** by the Group was PLN 8.1 million in Q1 2016 compared to PLN 5.5 million in Q4 2015 and PLN 4.8 million in Q1 2015.

## V. Atypical factors and events

### **CHANGE OF THE FINANCING SYSTEM OF CAPITAL MARKET SUPERVISION**

The Act of 12 June 2015 amending the Capital Market Supervision Act and certain other Acts has largely extended the list of entities required to finance supervision (by adding, among others, banks, insurers, investment funds, public companies, brokerage houses and foreign investment firms) and increased the amount of contributions of entities. As a result, the cost paid by the GPW Group may be reduced significantly in 2016 and beyond compared to PLN 22.0 million paid in 2015. The Act was signed into law by the President of Poland on 31 July 2015 and promulgated in the Journal of Laws on 31 August 2015. The Regulation of the Minister of Finance which determines among others the calculation method as well as the terms and conditions of the payment of fees by relevant entities took effect as of 1 January 2016. GPW reduced the transaction fees on trade in shares, rights to shares and ETF units in the part charged on the value of an order up to PLN 100 thousand from 0.033% to 0.029% as of 1 January 2016 in order to share the savings resulting from the change of the structure of fees paid to PFSA in favour of market participants. The reduction of the fees paid to PFSA (by approximately a half in the GPW Group compared to 2015) combined with the reduction of the trading fees offered by GPW will result in a commensurate decrease of both revenue and operating expenses of the GPW Group throughout 2016.

Following an amendment of regulations governing fees paid to cover the cost of supervision of the capital market and in view of the provisions of an interpretation of the International Financial Reporting Interpretations Committee (IFRIC 21), the GPW Group has decided to change the timing of recognition of liabilities in respect of fees due to PFSA and of charging the fees to costs. Previously, GPW recognised 1/12 of the annual fee due to PFSA in each month of the year. According to IFRIC 21, the entity should recognise liabilities in respect of fees due to PFSA at the date of the obligating event. The obligating event is the business subject to the fees due to PFSA carried out as at the 1 January of each year. Consequently, the total estimated amount of the annual fees due to PFSA will be charged to the results of the GPW Group's results in the first quarter of each year. The same principle applies to KDPW Group, which has impact on the share in net profit/loss of associates of GPW Group. The net result of KDPW for Q1 2016 includes the annual fee due to PFSA in the amount of PLN 9.3 million.

As a result of the modified presentation of fees due to PFSA, the GPW Group's operating expenses in Q1 2016 include the entire fee at PLN 11 million. However, the GPW Group's operating expenses in subsequent quarters of the year will not include the annual fee due to PFSA, which will reduce them by approximately PLN 2.7 million per quarter compared to a steady distribution of the fees over the year. The modification is a purely presentational movement between different quarters. It will not affect the GPW Group's annual results.

The Chairperson of the Polish Financial Supervision Authority publishes the fees and the indicators necessary to calculate the fees in a public communique promulgated in the Official Journal of the Polish Financial Supervision Authority by 31 August of each calendar year. On that basis, the entities obliged to pay the fee will calculate the final amount of the annual fee due for the year and pay the fee by 30 September of the calendar year.



## VI. Group's assets and liabilities structure

The **balance-sheet total** of the Group was PLN 1.1 billion as at the end of Q1 2016 compared to PLN 1.0 billion as at the end of Q4 2015 and PLN 1.1 billion as at the end of Q1 2015.

### ASSETS

The Group's **non-current assets** stood at PLN 577.0 million representing 52% of total assets as at the end of Q1 2016 compared to PLN 580.6 million or 57% of total assets as at the end of Q4 2015 and PLN 571.4 million or 54% of total assets as at the end of Q1 2015. The value of the Group's non-current assets decreased modestly compared to the end of the previous year due to amortisation and depreciation charges at GPW and PolPX.

The Group's **current assets** stood at PLN 528.7 million representing 48% of total assets as at the end of Q1 2016 compared to PLN 442.2 million or 43% of total assets as at the end of Q4 2015 and PLN 484.8 million or 46% of total assets as at the end of Q1 2015. The change in current assets after the end of 2015 was driven among others by the following factors:

- A decrease of the PolPX Group's trade receivables of PLN 40.4 million related to transactions on the markets in electricity, gas and property rights and corresponding increase in cash;
- an increase of PolPX Group's cash by PLN 45.0 million from operating cash flows and thanks to increase in trade liabilities;
- an increase of GPW's cash by PLN 37.0 million thanks to generated operating cash flows.

Table 23: Consolidated statement of financial position of GPW Group at the end of selected quarters (assets)

PLN'000	As at					
	31 March 2016		31 December 2015		31 March 2015	
		%		%		%
<b>Non-current assets</b>	<b>577,028</b>	<b>52%</b>	<b>580,645</b>	<b>57%</b>	<b>571,429</b>	<b>54%</b>
Property, plant and equipment	122,252	11%	125,229	12%	116,559	11%
Intangible assets	259,870	24%	261,728	26%	262,820	25%
Investment in associates	187,221	17%	188,570	18%	188,352	18%
Deferred tax assets	2,947	0%	-	-	-	0%
Available-for-sale financial assets	285	0%	282	0%	202	0%
Non-current prepayments	4,453	0%	4,836	0%	3,496	0%
<b>Current assets</b>	<b>528,673</b>	<b>48%</b>	<b>442,170</b>	<b>43%</b>	<b>484,816</b>	<b>46%</b>
Inventory	71	0%	135	0%	180	0%
Corporate income tax receivables	490	0%	369	0%	2,808	0%
Trade and other receivables	44,174	4%	81,273	8%	91,519	9%
Available-for-sale financial assets	-	0%	-	0%	10,551	1%
Assets held for sale	-	0%	-	0%	763	0%
Other current financial assets	3	0%	-	0%	6	0%
Cash and cash equivalents	483,935	44%	360,393	35%	378,989	36%
<b>Total assets</b>	<b>1,105,701</b>	<b>100%</b>	<b>1,022,815</b>	<b>100%</b>	<b>1,056,245</b>	<b>100%</b>

Source: Condensed Consolidated Interim Financial Statements

## EQUITY AND LIABILITIES

The **equity of the Group** stood at PLN 747.6 million representing 68% of the Group's total equity and liabilities as at the end of Q1 2016 compared to PLN 721.3 million or 71% of total equity and liabilities as at the end of Q4 2015 and PLN 738.8 million or 70% of total equity and liabilities as at the end of Q1 2015.

**Non-current liabilities** of the Group stood at PLN 134.4 million representing 12% of the Group's total equity and liabilities as at the end of Q1 2016 compared to PLN 258.8 million or 25% of total equity and liabilities as at the end of Q4 2015 and PLN 253.5 million or 24% of total equity and liabilities as at the end of Q1 2015. Non-current liabilities of the Group include mainly liabilities of GPW under issued bonds. The decrease of liabilities quarter on quarter in Q1 2016 was due to the reclassification of liabilities in respect of issued series A and B bonds to current liabilities in view of their maturity date which falls on 2 January 2017.

**Current liabilities** of the Group stood at PLN 223.7 million representing 20% of the Group's total equity and liabilities as at the end of Q1 2016 compared to PLN 42.7 million or 4% of total equity and liabilities as at the end of Q4 2015 and PLN 64.0 million or 6% of total equity and liabilities as at the end of Q1 2015. The liability under the bond issue increased quarter on quarter following the reclassification of liabilities in respect of issued series A and B bonds to current liabilities in view of their maturity date which falls on 2 January 2017. Furthermore, the PolPX group's VAT liabilities increased due to the profile of its transactions. The increase of accruals and deferred income was driven by issuers' annual fees which are booked in the first quarter of the year. Additionally, accruals increased as a result of booking the entirety of annual fee due to PFSA in Q1 2016.

Table 24: Consolidated statement of financial position of GPW Group at the end of selected quarters (equity and liabilities)

PLN'000	As at					
	31 March 2016	%	31 December 2015	%	31 March 2015	%
<b>Equity</b>	<b>747,631</b>	<b>68%</b>	<b>721,267</b>	<b>71%</b>	<b>738,769</b>	<b>70%</b>
Share capital	63,865	6%	63,865	6%	63,865	6%
Other reserves	1,481	0%	1,455	0%	1,817	0%
Retained earnings	681,732	62%	655,401	64%	671,918	64%
Non-controlling interests	553	0%	546	0%	1,169	0%
<b>Non-current liabilities</b>	<b>134,420</b>	<b>12%</b>	<b>258,799</b>	<b>25%</b>	<b>253,516</b>	<b>24%</b>
Liabilities under bond issue	123,606	11%	243,800	24%	244,193	23%
Employee benefits payable	4,400	0%	4,046	0%	2,010	0%
Finance lease liabilities	72	0%	84	0%	129	0%
Deferred income tax liability	6,342	1%	10,869	1%	7,184	1%
<b>Current liabilities</b>	<b>223,650</b>	<b>20%</b>	<b>42,749</b>	<b>4%</b>	<b>63,960</b>	<b>6%</b>
Liabilities under bond issue	122,881	11%	682	0%	1,935	0%
Trade payables	6,182	1%	8,597	1%	9,974	1%
Employee benefits payable	7,246	1%	9,457	1%	7,632	1%
Finance lease liabilities	55	0%	55	0%	186	0%
Deferred income tax liability	9,058	1%	2,833	0%	2,254	0%
Accruals and deferred income	38,966	4%	7,263	1%	25,368	2%
Provisions for other liabilities and charges	649	0%	621	0%	1,264	0%
Other current liabilities	38,613	3%	13,241	1%	15,121	1%
Liabilities held for sale	-	0%	-	0%	226	-
<b>Total equity and liabilities</b>	<b>1,105,701</b>	<b>100%</b>	<b>1,022,815</b>	<b>100%</b>	<b>1,056,245</b>	<b>100%</b>

Source: Condensed Consolidated Interim Financial Statements

## CASH FLOWS

The Group generated positive cash flows from **operating activities** at PLN 123.8 million in Q1 2016 compared to negative cash flows of PLN 6.6 million in Q1 2015. The higher cash flows from operating activities in Q1 2016 were mainly driven by an increase in PolPX's taxation liabilities and decrease in receivables resulting from VAT settlements as well as accruals and deferred income of GPW and PolPX.

The cash flows from **investing activities** were positive at PLN 0.1 million in Q1 2016 compared to a negative PLN 3.3 million in Q1 2015.

The cash flows from **financing activities** were negative at PLN 0.01 million in Q1 2016 compared to a negative PLN 0.04 million in Q1 2015.

Table 25: Consolidated cash flows

PLN'000	Cash flows for the three-month period ended 31 March	
	2016	2015
Cash flows from operating activities	123,768	(6,568)
Cash flows from investing activities	127	(3,304)
Cash flows from financing activities	(13)	(44)
<b>Net increase / (decrease) in cash</b>	<b>123,882</b>	<b>(9,916)</b>
<i>Impact of change of fx rates on cash balances in foreign currencies</i>	<i>(340)</i>	<i>(137)</i>
<b>Cash and cash equivalents - opening balance</b>	<b>360,393</b>	<b>389,042</b>
<b>Cash and cash equivalents - closing balance</b>	<b>483,935</b>	<b>378,989</b>

Source: Condensed Consolidated Interim Financial Statements

## CAPITAL EXPENDITURE

The Group's total capital expenditure in Q1 2016 amounted to PLN 1.9 million including expenditure for property, plant and equipment at PLN 1.4 million and expenditure for intangible assets at PLN 0.5 million. By comparison, the Group's total capital expenditure in Q1 2015 amounted to PLN 4.9 million including expenditure for property, plant and equipment at PLN 0.2 million and expenditure for intangible assets at PLN 4.7 million.

The value of (contracted) future investment commitments of the Group was PLN 15.0 million as at 31 March 2016, including commitments for property, plant and equipment at PLN 1.1 million mainly dedicated to reconstruction of GPW office space and commitments for intangible assets at PLN 13.9 million including mainly:

- UTP-Derivatives system;
- Electronic Document Flow;
- Microsoft product licences of GPW;
- X-Stream Trading system of PolPX;
- implementation of the financial and accounting system AX 2012 with the new consolidation and budgeting modules

The decision on the implementation of a UTP derivatives trading module (UTP-Derivatives) depends, among others, on GPW's current analysis of the business aspects of the project.

## VII. Ratio analysis

### **DEBT AND FINANCING RATIOS**

In the period under review, the debt of the Group posed no threat to its going concern and capacity to meet liabilities on time. The ratio of net debt to EBITDA remained negative in all quarters under review as liquid assets of the GPW Group were greater than interest-bearing liabilities (net debt less than 0). The debt to equity ratio decreased moderately quarter on quarter in Q1 2016 due to an increase in equity. The Group did not raise additional borrowed capital in Q1 2016.

### **LIQUIDITY RATIOS**

The current liquidity ratio was 2.4 as at the end of Q1 2016; its decrease was due to the reclassification of liabilities in respect of issued series A and B bonds to current liabilities. However, the ratio remains safe.

The coverage ratio of interest costs under the bond issue decreased modestly quarter on quarter in Q1 2016 due to the Group's lower EBITDA. The Group generated cash flows from operating activities which were several times higher than necessary to cover current liabilities under the bond issue.

### **PROFITABILITY RATIOS**

The profitability ratios decreased modestly quarter on quarter in Q1 2016 due to a decrease of sales revenue and an increase of operating expenses. The increase in operating expenses was a result of booking the entirety of annual fee due to PFSA in Q1 2016. The lower level of return on assets (ROA) and return on equity (ROE) compared to the end of Q4 2015 was due to higher average assets and equity as well as a lower net profit of the Group in the last 12 months.

Table 26: Key financial indicators of GPW Group

		As at / For the three-month period ended		
		31 March 2016	31 December 2015	31 March 2015
<b>Debt and financing ratios</b>				
Net debt / EBITDA for 12 months	1), 2)	(1.4)	(0.6)	(0.8)
Debt to equity	3)	33.0%	33.9%	33.4%
<b>Liquidity ratios</b>				
Current liquidity	4)	2.4	10.3	7.6
Coverage of interest on bonds	5)	21.7	23.5	28.1
<b>Return ratios</b>				
EBITDA margin	6)	50.5%	53.8%	61.6%
Operating profit margin	7)	42.7%	45.4%	54.6%
Net profit margin	8)	32.5%	33.7%	43.6%
Cost / income	9)	56.9%	54.8%	45.5%
ROE	10)	15.0%	17.4%	16.0%
ROA	11)	10.3%	12.1%	11.0%

1) Net debt = interest-bearing liabilities less liquid assets of GPW Group (as at balance-sheet date)

2) EBITDA = GPW Group operating profit + depreciation and amortisation (for a period of 3 months; net of the share of profit of associates)

3) Debt to equity = interest-bearing liabilities / equity (as at balance-sheet date)

4) Current liquidity = current assets / current liabilities (as at balance-sheet date)

5) Coverage of interest on bonds = EBITDA / interest on bonds (interest paid and accrued for a period of 3 months)

6) EBITDA margin = EBITDA / GPW Group revenue (for a period of 3 months)

7) Operating profit margin = GPW Group operating profit / GPW Group revenue (for a period of 3 months)

8) Net profit margin = GPW Group net profit / GPW Group revenue (for a period of 3 months)

9) Cost / income = GPW Group operating expenses / GPW Group revenue (for a period of 3 months)

10) ROE = GPW Group net profit (for a period of 12 months) / Average equity at the beginning and at the end of the last 12 month period

11) ROA = GPW Group net profit (for a period of 12 months) / Average total assets at the beginning and at the end of the last 12 month period

Source: Company

## VIII. SEASONALITY AND CYCLICALITY OF OPERATIONS

Share prices and the value of trading are significantly influenced by local, regional and global trends impacting the capital markets, which determines the number and size of new issues of financial instruments and the activity of investors on GPW. 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 and the activity of participants of the register of certificates of origin are largely determined by the obligation imposed on energy companies which sell electricity to final consumers and have to cancel a certain quantity of certificates of origin in relation to the volume of electricity sold in the year. The percentage of certificates of origin which must be cancelled is fixed for every year in regulations of the Minister of the Economy.

According to the Energy Law applicable until April 2015, the obligation had to be performed until 31 March of the year following the year of the obligation. The Act of 20 February 2015 on renewable energy sources changed the deadlines, whereby green certificates of origin of renewable energy sources (or payment of a replacement fee) for the period from 1 January 2015 to 3 April 2015 was only possible until 31 March 2016. However, the obligation for the period from 4 April 2015 to 31 December 2015 can be performed until 30 June 2016. In subsequent years, the entire obligation will be performed until 30 June. For cogeneration (red, yellow, and purple certificates), as of 2015, the obligation can also be performed by 30 June of the year for the previous year (previously: until 31 March). As a result, trading in the first half of the year is relatively higher than in the second half of the year.

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

Trading in energy on the Commodity Forward Instruments 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.

## **IX. Other information**

### **CONTINGENT LIABILITIES AND INVESTMENT COMMITMENTS**

The Group had no contingent liabilities or contingent assets as at 31 March 2016.

### **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 Q1 2016, GPW and the associates of GPW did not make any other significant transactions on terms other than at arm's length.

### **GUARANTIES AND SURETIES GRANTED**

The Group granted and accepted no guarantees and sureties in Q1 2016.

### **FEASIBILITY OF PREVIOUSLY PUBLISHED FORECASTS**

The Group did not publish any forecasts of 2016 results.

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

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

## FACTORS WHICH WILL IMPACT THE RESULTS AT LEAST IN THE NEXT QUARTER

- as a result of the modified presentation of fees due to PFSA, the GPW Group's operating expenses in Q1 2016 include the entire fee at PLN 11 million. However, the GPW Group's operating expenses in subsequent quarters of the year will not include the annual fee due to PFSA, which will reduce them by approximately PLN 2.7 million per quarter compared to a steady distribution of the fees over the year. The modification is a purely presentational movement between different quarters. It will not affect the GPW Group's annual results. The same principle applies to KDPW Group, which has impact on the share in net profit/loss of associates of GPW Group. The net result of KDPW for Q1 2016 includes the annual fee due to PFSA in the amount of PLN 9.3 million;
- capital expenditure in the implementation of UTP-Derivatives (UTP-D), subject to a go-ahead decision;
- the Markets in Financial Instruments Directive II (MiFID II) drafted by the European Commission, which imposes new requirements on financial institutions. The harmonisation of the trading system and activity of the GPW Group with those regulations will require some additional capital expenditures and operating expenses in 2016 – 2017. The GPW Group is analysing the necessary resources, expenses and business opportunities of the implementation of MiFID II;
- on 5 October 2015, the multilateral trading facility (MTF) Turquoise in London started to offer trade in Polish shares participating in WIG30. It cannot be ruled out that some investors will trade in shares of Polish companies on Turquoise.
- start of trade on the financial commodity market, which increases operating expenses and capital expenditure and should gradually increase revenue;
- the development of the financial instruments market on PolPX: this will require WCCH to obtain the status of central counterparty (CCP). WCCH has to comply with capital requirements under the Commission Regulation on OTC derivatives, central counterparties and trade repositories (EMIR). In the opinion of the company, the capital requirements under EMIR are met and require no material capital increase.
- the Act of 20 February 2015 on renewable energy sources introduces as of 2016 a new system of support for the production of energy from renewable energy sources (RES) based on auctions. Under the Act, entities previously benefiting from support in the form of certificates of origin may switch to the auction system, which would have an adverse impact on volumes on the Property Rights Market and in the Register of Certificates of Origin. In addition, the Act narrows down the group of entities eligible for support in the form of green certificates (excluding large hydropower installations above 5 MW) and imposes restrictions on the issuance of certificates of origin for multi-fuel combustion plants, which may largely limit the number of property rights to green certificates of origin issued by the Register. Furthermore, the Energy Law requires energy companies which produce electricity and are entitled to compensation (to cover stranded costs) for early termination of long-term power and electricity sale contracts to "publicly" sell generated electricity. The number of entities subject to the formal obligation diminishes over time.
- investment projects implemented in subsequent quarters, including the implementation of the X-Stream trading system in the PolPX Group;
- optimisation of the use of GPW's real estate assets: on 31 August 2015, the Management Board of the Warsaw Stock Exchange signed a non-binding letter of intent with MS Towarzystwo Funduszy Inwestycyjnych S.A. (MS TFI) and Centrum Bankowo-Finansowe "Nowy Świat" S.A. in order to start joint analyses and negotiations concerning the methods and the terms of optimisation of the use of GPW's real estate assets. As part of the work, the analyses and negotiations may also cover the terms and conditions of GPW's potential divestment of a 24.79% stake in Centrum Giełdowe SA (CG SA), real estate owned separately by GPW within the building Centrum Giełdowe (CG), GPW's share in the property right in CG and in the perpetual usufruct for the plots of land on which CG is situated, to CGSA or another member of the MS TFI Group, combined with the signing by GPW of a long-term lease agreement for space within Centrum Giełdowe.



## **OTHER MATERIAL INFORMATION**

In the opinion of the Company, in Q1 2016, there were no significant events or circumstances, other than those presented in this 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 position, financial results and capacity to meet obligations.

## X. Quarterly financial information of the Warsaw Stock Exchange for Q1 2016

This quarterly financial information of the Warsaw Stock Exchange has been prepared in accordance with the accounting policy principles binding for the Condensed Consolidated Interim Financial Statements for the three-month period ended 31 March 2016. The estimates did not change substantially in the three-month period ended 31 March 2016, including adjustments of provisions, deferred tax provisions and deferred tax assets mentioned in the IFRS, and there were no significant asset revaluation write-offs. In the period under review, the Company and its subsidiaries did not make one or more significant transactions with related parties on terms other than at arm's length, and neither did they grant credit or loan sureties.

Table 27: Separate statement of comprehensive income (PLN'000)

	Three-month period ended 31.03.2016	Three-month period ended 31.03.2015
<b>Revenue</b>	<b>42,331</b>	<b>47,571</b>
Operating expenses	(29,705)	(27,842)
Other income	135	251
Other expenses	(547)	(444)
<b>Operating profit</b>	<b>12,214</b>	<b>19,537</b>
Financial income	1,427	1,277
Financial expenses	(2,017)	(2,496)
<b>Profit before income tax</b>	<b>11,624</b>	<b>18,318</b>
Income tax expense	(2,258)	(3,399)
<b>Profit for the period</b>	<b>9,366</b>	<b>14,919</b>
<b>Other comprehensive income:</b>	-	-
<i>Net change of fair value of available-for-sale financial assets</i>	-	(81)
<i>Effective portion of change of fair value of cash flow hedges</i>	7	(82)
Income to be reclassified as gains or losses	7	(163)
<i>Actuarial gains / (losses) on provisions for employee benefits after the term of service</i>	-	14
Income not to be reclassified as gains or losses	-	14
<b>Other comprehensive income after tax</b>	<b>7</b>	<b>(148)</b>
<b>Total comprehensive income</b>	<b>9,373</b>	<b>14,771</b>
<b>Basic / Diluted earnings per share (PLN)</b>	<b>0.22</b>	<b>0.36</b>

Source: Company

Table 28: Separate statement of financial position (PLN'000)

ASSETS	31.03.2016	31.12.2015	31.03.2015
<b>Non-current assets</b>	<b>468,484</b>	<b>472,253</b>	<b>479,330</b>
Property, plant and equipment	93,642	94,773	98,552
Intangible assets	79,451	81,601	87,046
Investment in associates	36,959	36,959	36,959
Investment in subsidiaries	254,985	254,985	253,273
Available-for-sale financial assets	284	282	202
Non-current prepayments	3,163	3,653	3,298
<b>Current assets</b>	<b>302,561</b>	<b>261,770</b>	<b>284,911</b>
Inventory	55	119	120
Corporate income tax receivable	-	-	2,808
Trade and other receivables	29,929	26,091	27,893
Available-for-sale financial assets	-	-	10,551
Assets held for sale	-	-	2,037
Other current financial assets	-	-	100
Cash and cash equivalents	272,577	235,560	241,402
<b>TOTAL ASSETS</b>	<b>771,045</b>	<b>734,023</b>	<b>764,241</b>
EQUITY AND LIABILITIES	31.03.2016	31.12.2015	31.03.2015
<b>Equity</b>	<b>464,254</b>	<b>454,881</b>	<b>473,540</b>
Share capital	63,865	63,865	63,865
Other reserves	(297)	(304)	(391)
Retained earnings	400,686	391,320	410,067
<b>Non-current liabilities</b>	<b>132,563</b>	<b>258,242</b>	<b>253,611</b>
Liabilities under bond issue	123,606	243,800	244,193
Employee benefits payable	2,615	2,382	1,805
Deferred tax liability	6,342	12,060	7,612
<b>Current liabilities</b>	<b>174,228</b>	<b>20,900</b>	<b>37,089</b>
Liabilities under bond issue	122,881	682	1,935
Trade payables	5,333	6,599	4,599
Employee benefits payable	4,400	7,023	4,380
Deferred tax liability	7,448	1,976	-
Accruals and deferred income	29,666	1,776	21,828
Other liabilities	4,501	2,844	4,348
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>771,045</b>	<b>734,023</b>	<b>764,241</b>

Source: Company

Table 29: Separate cash flow statement (PLN'000)

	Three-month period ended 31.03.2016	Three-month period ended 31.03.2015
<b>Cash flows from operating activities</b>	<b>37,825</b>	<b>37,359</b>
Cash generated from operating activities	40,331	36,501
Income tax (paid)/refunded	(2,506)	858
<b>Cash flows from investing activities</b>	<b>(468)</b>	<b>(3,855)</b>
Purchase of property, plant and equipment	(1,373)	(60)
Purchase of intangible assets	(291)	(4,229)
Proceeds from sale of property, plant and equipment and intangible assets	46	5
Investment in subsidiaries	-	(600)
Loans granted	-	(100)
Interest received	1,149	1,129
<b>Cash flows from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>37,357</b>	<b>33,504</b>
<i>Impact of change of fx rates on cash balances in foreign currencies</i>	(340)	(137)
<b>Cash and cash equivalents - opening balance</b>	<b>235,560</b>	<b>208,035</b>
<b>Cash and cash equivalents - closing balance</b>	<b>272,577</b>	<b>241,402</b>

Source: Company

Table 30: Separate statement of changes in equity (PLN'000)

	Attributable to the shareholders of the entity			Total equity
	Share capital	Other reserves	Retained earnings	
<b>As at 31 December 2014</b>	<b>63,865</b>	<b>(243)</b>	<b>395,147</b>	<b>458,769</b>
Net profit for the three-month period ended 31 March 2015	-	-	14,919	14,919
Other comprehensive income	-	(148)	-	(148)
<b>Total comprehensive income for the three-month period ended 31 March 2015</b>	<b>-</b>	<b>(148)</b>	<b>14,919</b>	<b>14,771</b>
<b>As at 31 March 2015 (unaudited)</b>	<b>63,865</b>	<b>(391)</b>	<b>410,066</b>	<b>473,540</b>
<b>As at 31 December 2014</b>	<b>63,865</b>	<b>(243)</b>	<b>395,147</b>	<b>458,769</b>
Dividends	-	-	(100,733)	(100,733)
<b>Transactions with owners shown directly in equity</b>	<b>-</b>	<b>-</b>	<b>(100,733)</b>	<b>(100,733)</b>
Net profit for the year ended 31 December 2015	-	-	96,905	96,905
Other comprehensive income	-	(61)	-	(61)
<b>Total comprehensive income for the year ended 31 December 2015</b>	<b>-</b>	<b>(61)</b>	<b>96,905</b>	<b>96,844</b>
<b>As at 31 December 2015</b>	<b>63,865</b>	<b>(304)</b>	<b>391,320</b>	<b>454,881</b>
<b>As at 31 December 2015</b>	<b>63,865</b>	<b>(304)</b>	<b>391,320</b>	<b>454,881</b>
Net profit for the three-month period ended 31 March 2016	-	-	9,366	9,366
Other comprehensive income	-	7	-	7
<b>Total comprehensive income for the three-month period ended 31 March 2016</b>	<b>-</b>	<b>7</b>	<b>9,366</b>	<b>9,373</b>
<b>As at 31 March 2016 (unaudited)</b>	<b>63,865</b>	<b>(297)</b>	<b>400,686</b>	<b>464,254</b>

Source: Company

## **XI. Appendices**

**Condensed Consolidated Interim Financial Statements for the three-month period ended 31 March 2016 and the auditor's review report**



**KPMG Audyt**  
**Spółka z ograniczoną**  
**odpowiedzialnością sp.k.**  
ul. Inflancka 4A  
00-189 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 2016 TO 31 MARCH 2016**

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

*Introduction*

We have reviewed the accompanying 31 March 2016 condensed consolidated interim financial statements of the Giełda Papierów Wartościowych w Warszawie S.A. Group, 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 31 March 2016,
- the consolidated statement of comprehensive income for the three-month period ended 31 March 2016,
- the consolidated statement of changes in equity for the three-month period ended 31 March 2016,
- the consolidated statement of cash flows for the three-month period ended 31 March 2016, and
- notes to the condensed consolidated interim financial statements.

Management of the parent company 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 International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as adopted by the National Council of Certified Auditors as the National Standard on Assurance 2410. 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 Assurance or 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 condensed consolidated interim financial statements of the Giełda Papierów Wartościowych w Warszawie S.A. Group as at 31 March 2016 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 Audyty Spółka z ograniczoną odpowiedzialnością sp.k.  
registration number 3546  
ul. Inflancka 4A, 00-189 Warsaw

### *Signed on the Polish original*

.....  
Miroslaw Matusik  
Key Certified Auditor  
Registration No. 90048  
Limited Liability Partner with power of attorney

25 April 2016



**25 YEARS**

**GPW**

WARSAW STOCK EXCHANGE

---

Condensed Consolidated Interim Financial Statements  
of the **Giełda Papierów Wartościowych w  
Warszawie S.A. Group**

for the three-month period ended 31 March 2016

---

April 2016



## TABLE OF CONTENTS

<b>I.</b>	<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION .....</b>	<b>2</b>
<b>II.</b>	<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME .....</b>	<b>4</b>
<b>III.</b>	<b>CONSOLIDATED STATEMENT OF CASH FLOWS .....</b>	<b>5</b>
<b>IV.</b>	<b>CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....</b>	<b>7</b>
<b>V.</b>	<b>NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS .....</b>	<b>9</b>
	1. GENERAL .....	9
	2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS .....	11
	3. PROPERTY, PLANT AND EQUIPMENT .....	12
	4. INTANGIBLE ASSETS .....	12
	5. INVESTMENT IN ASSOCIATES .....	13
	6. AVAILABLE-FOR-SALE FINANCIAL ASSETS .....	14
	7. TRADE AND OTHER RECEIVABLES .....	15
	8. PROVISIONS AND IMPAIRMENT LOSSES FOR ASSETS .....	16
	9. CASH AND CASH EQUIVALENTS .....	16
	10. BOND ISSUE LIABILITIES .....	16
	11. ACCRUALS AND DEFERRED INCOME .....	17
	12. INCOME TAX .....	18
	13. RELATED PARTY TRANSACTIONS .....	19
	14. DIVIDEND .....	22
	15. SEASONALITY .....	22
	16. SEGMENT REPORTING .....	22
	17. WCCH CLEARING GUARANTEE SYSTEM .....	27
	18. EVENTS AFTER THE BALANCE SHEET DATE .....	27

(all amounts in PLN'000 unless stated otherwise)

## I. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at	
		31 March 2016 (unaudited)	31 December 2015
<b>Non-current assets</b>		<b>577,028</b>	<b>580,645</b>
Property, plant and equipment	3	122,252	125,229
Intangible assets	4	259,870	261,728
Investment in associates	5	187,221	188,570
Deferred tax asset		2,947	-
Available-for-sale financial assets	6	285	282
Long-term prepayments		4,453	4,836
<b>Current assets</b>		<b>528,673</b>	<b>442,170</b>
Inventories		71	135
Corporate income tax receivable		490	369
Trade and other receivables	7	44,174	81,273
Other current financial assets		3	-
Cash and cash equivalents	9	483,935	360,393
<b>TOTAL ASSETS</b>		<b>1,105,701</b>	<b>1,022,815</b>

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

(all amounts in PLN'000 unless stated otherwise)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	As at	
		31 March 2016 (unaudited)	31 December 2015
<b>Equity</b>		<b>747,631</b>	<b>721,267</b>
<b>Equity of the shareholders of the parent entity</b>		<b>747,078</b>	<b>720,721</b>
Share capital		63,865	63,865
Other reserves		1,481	1,455
Retained earnings		681,732	655,401
<b>Non-controlling interests</b>		<b>553</b>	<b>546</b>
<b>Non-current liabilities</b>		<b>134,420</b>	<b>258,799</b>
Liabilities on bonds issue	<b>10</b>	123,606	243,800
Employee benefits payable		4,400	4,046
Finance lease liabilities		72	84
Deferred tax liability		6,342	10,869
<b>Current liabilities</b>		<b>223,650</b>	<b>42,749</b>
Liabilities on bonds issue	<b>10</b>	122,881	682
Trade payables		6,182	8,597
Employee benefits payable		7,246	9,457
Finance lease liabilities		55	55
Corporate income tax payable		9,058	2,833
Accruals and deferred income	<b>11</b>	38,966	7,263
Provisions for other liabilities and charges		649	621
Other liabilities		38,613	13,241
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,105,701</b>	<b>1,022,815</b>

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

(all amounts in PLN'000 unless stated otherwise)

## II. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Three-month period ended	
		31 March 2016 (unaudited)	31 March 2015 (unaudited)
Revenue		81,031	88,167
Operating expenses		(46,122)	(40,091)
Other income		244	687
Other expenses		(564)	(652)
<b>Operating profit</b>		<b>34,589</b>	<b>48,111</b>
Financial income		1,963	1,675
Financial expenses		(2,075)	(2,526)
Share of profit of associates	<b>5</b>	(1,368)	212
<b>Profit before income tax</b>		<b>33,109</b>	<b>47,472</b>
Income tax expense	<b>12</b>	(6,771)	(9,072)
<b>Profit for the period</b>		<b>26,338</b>	<b>38,400</b>
<i>Net change of fair value of available-for-sale financial assets</i>		-	(81)
<i>Effective portion of change of fair value of cash flow hedges</i>		7	(82)
<i>Gains / (losses) on valuation of available-for-sale financial assets of associates</i>		19	36
Income to be reclassified as gains or losses		26	(127)
<i>Actuarial gains / (losses) on provisions for employee benefits after termination</i>		-	14
Income not to be reclassified as gains or losses		-	14
<b>Other comprehensive income after tax</b>		<b>26</b>	<b>(113)</b>
<b>Total comprehensive income</b>		<b>26,364</b>	<b>38,288</b>
<i>Profit for the period attributable to shareholders of the parent entity</i>		26,331	38,347
<i>Profit for the period attributable to non-controlling interests</i>		7	53
Total profit for the period		26,338	38,400
<i>Comprehensive income attributable to shareholders of the parent entity</i>		26,357	38,235
<i>Comprehensive income attributable to non-controlling interests</i>		7	53
Total comprehensive income		26,364	38,288
<b>Basic / Diluted earnings per share (PLN)</b>		<b>0.63</b>	<b>0.91</b>

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

(all amounts in PLN'000 unless stated otherwise)

### III. CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Three-month period ended	
		31 March 2016 (unaudited)	31 March 2015 (unaudited)
<b>Cash flows from operating activities:</b>		<b>123,768</b>	<b>(6,568)</b>
Cash generated from operation before tax		131,857	(1,792)
Net profit of the period		26,338	38,400
Adjustments:		105,519	(40,192)
Income tax		6,771	9,072
Depreciation of property, plant and equipment	<b>3</b>	3,492	3,358
Amortisation of intangible assets	<b>4</b>	2,878	2,837
Foreign exchange (gains)/losses		340	137
(Profit) / Loss on sale of property, plant and equipment and intangible assets		(4)	6
Financial (income) / expense of available-for-sale financial assets		-	(147)
Income from interest on deposits		(1,661)	(1,499)
Interest, cost and premium on issued bonds		2,005	2,050
Net change of provisions for other liabilities and charges		28	(82)
Change of long-term prepayments		383	122
Share of (profit)/loss of associates		1,368	(212)
Other		(41)	(143)
Change in current assets and liabilities:		89,960	(55,691)
<i>(Increase) / Decrease of inventories</i>		64	(60)
<i>(Increase) / Decrease of trade and other receivables</i>		37,099	(48,925)
<i>Increase / (Decrease) of trade payables</i>		(2,415)	(43)
<i>Increase / (Decrease) of employee benefits payable</i>		(1,857)	(5,831)
<i>Increase / (Decrease) of accruals and deferred income</i>		31,703	20,253
<i>Increase / (Decrease) of other liabilities (net of dividend payable)</i>		25,366	(21,085)
Income tax (paid)/refunded		(8,089)	(4,776)

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

(all amounts in PLN'000 unless stated otherwise)

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Note	Three-month period ended	
		31 March 2016 (unaudited)	31 March 2015 (unaudited)
<b>Cash flows from investing activities:</b>		<b>127</b>	<b>(3,304)</b>
Purchase of property, plant and equipment		(1,400)	(213)
Purchase of intangible assets		(475)	(4,668)
Proceeds from sale of property, plant and equipment and intangible assets		341	78
Interest received		1,661	1,499
<b>Cash flows from financing activities:</b>		<b>(13)</b>	<b>(44)</b>
Paid finance leases		(13)	(44)
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>123,882</b>	<b>(9,916)</b>
<i>Impact of fx rates on cash balance in currencies</i>		(340)	(137)
<b>Cash and cash equivalents - opening balance</b>		<b>360,393</b>	<b>389,042</b>
<b>Cash and cash equivalents - closing balance</b>		<b>483,935</b>	<b>378,989</b>

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

(all amounts in PLN'000 unless stated otherwise)

#### IV. 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		
<b>As at 31 December 2015</b>	<b>63,865</b>	<b>1,455</b>	<b>655,401</b>	<b>720,721</b>	<b>546</b>	<b>721,267</b>
Profit for the three- month period ended 31 March 2016	-	-	26,331	26,331	7	<b>26,338</b>
Other comprehensive income	-	26	-	26	-	<b>26</b>
<b>Total comprehensive income for the three-month period ended 31 March 2016</b>	<b>-</b>	<b>26</b>	<b>26,331</b>	<b>26,357</b>	<b>7</b>	<b>26,364</b>
<b>As at 31 March 2016</b>	<b>63,865</b>	<b>1,481</b>	<b>681,732</b>	<b>747,078</b>	<b>553</b>	<b>747,631</b>

	Attributable to the shareholders of the parent entity				Non- controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total		
<b>As at 31 December 2014</b>	<b>63,865</b>	<b>1,930</b>	<b>633,555</b>	<b>699,350</b>	<b>1,116</b>	<b>700,466</b>
Acquisition of non- controlling interests	-	-	(1,074)	<b>(1,074)</b>	(637)	<b>(1,711)</b>
Dividends	-	-	(100,733)	<b>(100,733)</b>	-	<b>(100,733)</b>
<b>Transactions with owners recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>(101,807)</b>	<b>(101,807)</b>	<b>(637)</b>	<b>(102,444)</b>
Profit for the year ended 31 December 2015	-	-	123,652	<b>123,652</b>	67	<b>123,719</b>
Other comprehensive income	-	(475)	-	<b>(475)</b>	-	<b>(475)</b>
<b>Total comprehensive income for the year ended 31 December 2015</b>	<b>-</b>	<b>(475)</b>	<b>123,652</b>	<b>123,177</b>	<b>67</b>	<b>123,244</b>
<b>As at 31 December 2015</b>	<b>63,865</b>	<b>1,455</b>	<b>655,401</b>	<b>720,721</b>	<b>546</b>	<b>721,267</b>

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

(all amounts in PLN'000 unless stated otherwise)

## 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		
<b>As at 31 December 2014</b>	<b>63,865</b>	<b>1,930</b>	<b>633,555</b>	<b>699,350</b>	<b>1,116</b>	<b>700,466</b>
Profit for the three- month period ended 31 March 2015	-	-	38,347	<b>38,347</b>	53	<b>38,400</b>
Other comprehensive income	-	(113)	-	<b>(113)</b>	-	<b>(113)</b>
<b>Total comprehensive income for the three-month period ended 31 March 2015</b>	-	<b>(113)</b>	<b>38,347</b>	<b>38,234</b>	<b>53</b>	<b>38,287</b>
<b>Other changes in equity</b>	-	-	<b>16</b>	<b>16</b>	-	<b>16</b>
<b>As at 31 March 2015</b>	<b>63,865</b>	<b>1,817</b>	<b>671,918</b>	<b>737,600</b>	<b>1,169</b>	<b>738,770</b>

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



## V. NOTES TO THE CONDENSED 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", "GPW", "the Company" or "parent entity") with its registered office in Warsaw, 4 Książęca Street. The Company was established by Notarial Deed on 12 April 1991 and registered in the Commercial Court in Warsaw on 25 April 1991, entry no. KRS 0000082312, VAT no. 526-025-09-72, Regon 012021984. GPW has been listed on GPW's 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 Group 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:

- **GPW 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 GPW and BondSpot);
- **Treasury BondSpot Poland** (wholesale trade in Treasury bonds operated by BondSpot).

The Group also organises and operates trade on the markets operated by Towarowa Giełda Energii S.A. ("the Polish Power Exchange", "PolPX") and InfoEngine S.A.:

- **Energy Markets** (trade in electricity on the 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 and Day-Ahead Market and the Commodity Forward Instruments Market),
- **Property Rights Market** (trade in property rights in certificates of origin of electricity),
- **CO<sub>2</sub> Emission Allowances Market** (trade in CO<sub>2</sub> emission allowances),
- **OTC (Over-the-Counter) commodity trade platform** (complements the offer with OTC commodity trade in electricity, energy biomass and property rights in certificates of origin).

On 23 February 2015, PolPX received a decision of the Minister of Finance authorising PolPX to operate an exchange and start trade on the Financial Instruments Market. The Financial Instruments market opened on 4 November 2015.

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

The GPW Group also operates:

- **Clearing House and Settlement System** (performing the functions of an exchange settlement system for transactions in exchange-traded commodities),
- **Trade Operator and Balancing Entity services** – both types of services are offered by InfoEngine S.A., balancing involves the submission of power sale contracts for execution and clearing of non-balancing with the grid operator (differences between actual power production or consumption and power sale contracts accepted for execution).

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

## 1.2. Approval of the financial statements

The Condensed Consolidated Interim Financial Statements were authorised for issuance by the Management Board of the parent entity on 25 April 2016.

## 1.3. Composition and activity of the Group

The Warsaw Stock Exchange and its following subsidiaries:

- Towarowa Giełda Energii S.A. Group ("Polish Power Exchange Group");
- BondSpot S.A. ("BondSpot"),
- GPW Centrum Usług S.A. ("GPW CU"), formerly WSE Services S.A.,
- Instytut Analiz i Ratingu S.A. ("IAiR")

comprise the Warsaw Stock Exchange Group.

The following are the associates over which the Group exerts significant influence:

- KDPW S.A. Group ("KDPW"),
- Centrum Giełdowe S.A. ("CG"),
- Aquis Exchange Limited ("Aquis").

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

## 2. Basis of preparation of the financial statements

These Condensed Consolidated Interim Financial Statements of the Giełda Papierów Wartościowych w Warszawie S.A. Group 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 of the parent entity, in the notes to the Condensed Consolidated Interim Financial Statements of the Giełda Papierów Wartościowych w Warszawie S.A. Group ("Group"), GPW included all material information necessary for the proper assessment of the assets and the financial position of the Group as at 31 March 2016 and its financial results in the period from 1 January 2016 to 31 March 2016.

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 GPW's ability to continue operations.

The Group has prepared the Condensed Consolidated Interim Financial Statements in accordance with the same accounting policies as those described in the audited Financial Statements for the year ended 31 December 2015 other than for changes described below. The Condensed Consolidated Interim Financial Statements for the three-month period ended 31 March 2016 should be read in conjunction with the audited Consolidated Financial Statements for the year ended 31 December 2015.

The following interpretations and amendments of existing standards adopted by the European Union are effective for the financial statements of the Group for the financial year started on 1 January 2016:

- 1) Amendments to IFRS 11 Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations;
- 2) Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation;
- 3) Improvements to IFRS (2012-2014);
- 4) Amendments to IAS 1 Presentation of Financial Statements – Disclosure initiative;
- 5) Amendments to IAS 27 Separate Financial Statements - Equity Method in Separate Financial Statements.

According to the Group's assessment, these interpretations and amendments to the 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 audited Consolidated Financial Statements as at 31 December 2015 with the exception of judgements of fees to cover the cost of supervision of the capital market as described in note 13.1.

(all amounts in PLN'000 unless stated otherwise)

### 3. Property, plant and equipment

Table 1: Change of the net carrying value of property, plan and equipment by category

	Period of	
	3 months ended 31 March 2016 (unaudited)	12 months ended 31 December 2015
<b>Net carrying value - opening balance</b>	<b>125,229</b>	<b>119,762</b>
Additions	1,400	23,813
Reclassification	(545)	(2,655)
Other adjustments	-	78
Disposals	(341)	(773)
Depreciation charge	(3,492)	(14,996)
<b>Net carrying value - closing balance</b>	<b>122,252</b>	<b>125,229</b>

Contracted investment commitments for property, plant and equipment were PLN 1,094 thousand as at 13 March 2016, including mainly restructuring of GPW offices.

Contracted investment commitments for property, plant and equipment were PLN 1,094 thousand as at 13 December 2015, including mainly restructuring of GPW offices.

### 4. Intangible assets

Table 2: Change of the net carrying value of intangible assets by category

	Period of	
	3 months ended 31 March 2016 (unaudited)	12 months ended 31 December 2015
<b>Net carrying value - opening balance</b>	<b>261,728</b>	<b>261,019</b>
Additions	475	10,315
Reclassification	545	2,655
Impairment	-	(93)
Disposals	-	(327)
Amortisation charge	(2,878)	(11,841)
<b>Net carrying value - closing balance</b>	<b>259,870</b>	<b>261,728</b>

Contracted investment commitments for intangible assets amounted to PLN 13,866 thousand as at 31 March 2016 and related mainly to:

- UTP-Derivatives system;
- Electronic Document Flow;
- Microsoft product licences of GPW;

(all amounts in PLN'000 unless stated otherwise)

- X-Stream Trading system of PolPX;
- implementation of the financial and accounting system AX 2012 with the new consolidation and budgeting modules in GPW Centrum Usług S.A.

Contracted investment commitments for intangible assets amounted to PLN 13,884 thousand as at 31 December 2015 and related mainly to:

- UTP-Derivatives system;
- Electronic Document Flow;
- Microsoft product licences of GPW;
- X-Stream Trading system of PolPX;
- implementation of the financial and accounting system AX 2012 with the new consolidation and budgeting modules in GPW Centrum Usług S.A.

## 5. Investment in associates

As at 31 March 2016, the parent entity held interest in the following associates:

- Krajowy Depozyt Papierów Wartościowych S.A. Group;
- Centrum Giełdowe S.A.;
- Aquis Exchange Limited.

Table 3: Carrying value of share of profit of associates

	As at	
	31 March 2016 (unaudited)	31 December 2015
KDPW S.A. Group	157,102	157,365
Centrum Giełdowe S.A.	16,412	16,261
Aquis Exchange Limited	13,707	14,944
<b>Total</b>	<b>187,221</b>	<b>188,570</b>

(all amounts in PLN'000 unless stated otherwise)

Table 4: Change of the value of investment in associates

	As at / Period	
	3 months ended 31 March 2016 (unaudited)	12 months ended 31 December 2015
<b>Opening balance</b>	<b>188,570</b>	<b>188,104</b>
Gains on dilution of shares of Aquis Exchange Limited	-	2,754
Dividends	-	(352)
Share of profit (after tax)	(1,368)	(1,530)
Share in other comprehensive income	19	(405)
<b>Closing balance</b>	<b>187,221</b>	<b>188,570</b>

## 6. Available-for-sale financial assets

Table 5: Available-for-sale financial assets

	As at	
	31 March 2016 (unaudited)	31 December 2015
<b>Opening balance</b>	<b>282</b>	<b>10,710</b>
Discount and interest	-	(625)
Disposals (sale/redemption of bonds, shares)	-	(10,000)
Reclassified on sale of a controlling interest in a subsidiary	-	487
Change in fair value - recognised in total comprehensive income:	3	(291)
<i>shares</i>	3	(413)
<i>Treasury bonds and bills</i>	-	122
<b>Closing balance</b>	<b>285</b>	<b>282</b>

GPW held 19.98% of shares of IRK as at 31 March 2016. The carrying value of the investment was PLN 76 thousand. The investment was recognised under the available-for-sale financial assets.

(all amounts in PLN'000 unless stated otherwise)

Table 6: Fair value hierarchy

	As at 31 March 2016 (unaudited)					
	Carrying value	Fair value	Fair value hierarchy			Total
			Level 1	Level 2	Level 3	
Sibex	208	208	208	-	-	<b>208</b>
IRK	77	77	-	-	77	<b>77</b>
<b>Total equity financial assets</b>	<b>285</b>	<b>285</b>	<b>208</b>	-	<b>77</b>	<b>285</b>
<b>Total</b>	<b>285</b>	<b>285</b>	<b>208</b>	-	<b>77</b>	<b>285</b>

## 7. Trade and other receivables

Table 7: Trade and other receivables

	As at	
	31 March 2016 (unaudited)	31 December 2015
Gross trade receivables	38,535	39,164
Impairment allowances for receivables	(2,166)	(1,716)
<b>Total trade receivables</b>	<b>36,369</b>	<b>37,448</b>
Short-term prepayments	7,172	4,203
Other receivables and advance payments	521	1,655
Receivables in respect of tax settlements	112	37,967
<b>Total other receivables</b>	<b>7,805</b>	<b>43,825</b>
<b>Total trade and other receivables</b>	<b>44,174</b>	<b>81,273</b>

(all amounts in PLN'000 unless stated otherwise)

## 8. Provisions and impairment losses for assets

In the period from 1 January 2016 to 31 March 2016, impairment losses for assets were adjusted as follows:

- impairment allowances for receivables: an increase of PLN 450 thousand (provision additions of PLN 613 thousand, releases of PLN 119 thousand, receivables written off as unenforceable of judgements of PLN 44 thousand).

Furthermore, in the period from 1 January 2016 to 31 March 2016, there were the following changes in estimates relating to provisions:

- litigation and other provisions were increased by PLN 28 thousand;
- employee benefits provisions (mainly provisions for annual bonuses) were reduced by PLN 1,857 thousand (releases of PLN 239 thousand, usage of PLN 4,456 thousand, provision additions of PLN 2,838 thousand).

## 9. Cash and cash equivalents

Table 8: Cash and cash equivalents

	As at	
	31 March 2016 (unaudited)	31 December 2015
Cash	17	4
Current accounts	45,197	123,066
Bank deposits	438,721	237,323
<b>Total cash and cash equivalents</b>	<b>483,935</b>	<b>360,393</b>

## 10. Bond issue liabilities

Table 9: Bond issue liabilities

	As at	
	31 March 2016 (unaudited)	31 December 2015
<b>Liabilities under bond issue - non-current:</b>	<b>123,606</b>	<b>243,800</b>
Series A and B bonds	-	120,257
Series C bonds	123,606	123,543
<b>Liabilities under bond issue - current:</b>	<b>122,881</b>	<b>682</b>
Series A and B bonds	121,202	-
Series C bonds	1,679	682
<b>Total liabilities under bond issue</b>	<b>246,487</b>	<b>244,482</b>



(all amounts in PLN'000 unless stated otherwise)

### Series A and B bonds

On 5 December 2011, the GPW Management Board adopted a resolution concerning an issue of series A and B bearer bonds. The goal of the issue was to finance GPW'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 GPW 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 GPW 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. Series A and B bonds with a nominal value of PLN 124,516 thousand were redeemed before maturity in October 2015.

### Series C bonds

On 6 October 2015, GPW issued 1,250,000 series C bearer bonds in a total nominal amount of PLN 125,000 thousand. The nominal amount and the issue price was PLN 100 per bond. The series C bonds bear interest at a fixed rate of 3.19 percent per annum. Interest on the bonds is paid semi-annually. The bonds are due for redemption on 6 October 2022 against the payment of the nominal value to the bond holders.

The series C bonds were introduced to the alternative trading system on Catalyst.

## 11. Accruals and deferred income

Table 10: Accruals and deferred income

	As at	
	31 March 2016 (unaudited)	31 December 2015
Total financial market	22,142	-
Total commodity market	3,963	4,461
Other income	448	286
<b>Deferred income</b>	<b>26,553</b>	<b>4,747</b>
<b>Accruals*</b>	<b>12,413</b>	<b>2,516</b>
<b>Total accruals and deferred income</b>	<b>38,966</b>	<b>7,263</b>

\* As at 31 March 2016: PLN 11,083 thousand of provisions for fees due to PFSA.

Accruals and deferred income of the financial market and the commodity market include annual and quarterly fees payable by market participants.

(all amounts in PLN'000 unless stated otherwise)

## 12. Income tax

Table 11: Income tax by current and deferred tax

	Three-month period ended	
	31 March 2016 (unaudited)	31 March 2015 (unaudited)
Current income tax	14,246	11,428
Deferred tax	(7,475)	(2,356)
<b>Total income tax</b>	<b>6,771</b>	<b>9,072</b>

As required by the Polish tax regulations, the tax rate applicable in 2016 and 2015 is 19%.

Table 12: 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

	Three-month period ended	
	31 March 2016 (unaudited)	31 March 2015 (unaudited)
Profit before income tax	33,109	47,472
Income tax rate	19%	19%
<b>Income tax at the statutory tax rate</b>	<b>6,291</b>	<b>9,020</b>
<b>Tax effect:</b>	<b>480</b>	<b>52</b>
Non-tax-deductible expenses	138	(37)
Additional taxable income	6	-
Tax losses of subsidiaries not recognised in deferred tax	75	145
Non-taxable share of profit of associates	260	(40)
Other adjustments	1	(16)
<b>Total income tax</b>	<b>6,771</b>	<b>9,072</b>

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

## 13. Related party transactions

Related parties of the Group include its associates (Krajowy Depozyt Papierów Wartościowych Group, Centrum Giełdowe S.A. and Aquis Exchange Limited) and the State Treasury as the parent entity (holding 35.00% of the share capital and 51.76% of the total number of voting rights as at 31 March 2016), 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.

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

The Group keeps no records which would clearly identify and aggregate transactions with all entities which are related parties of the State Treasury.

#### Companies with a stake held by the State Treasury

Companies with a stake held by the State Treasury, with which the parent entity enters into transactions, include issuers (from which GPW charges introduction and listing fees) and Exchange Members (from which GPW charges fees for access to trade on the exchange market, fees for access to the GPW IT systems, and fees for trade in financial instruments).

Of the biggest clients of the parent entity, Powszechna Kasa Oszczędności Bank Polski S.A. was the only entity with a stake held by the State Treasury with which GPW entered into individually material transactions, identified on the basis of a list of companies supervised by the Ministry of Treasury as published by the Ministry of Treasury. The total sale to that company was PLN 2,369 thousand in the three-month period ended on 31 March 2016 and PLN 3,254 thousand in the three-month period ended on 31 March 2015.

Companies with a stake held by the State Treasury, with which PolPX and WCCH enter into transactions, include members of the markets operated by PolPX and members of the Clearing House. Fees are charged from such entities for participation and for trade on the markets operated by PolPX, for issuance and cancellation of property rights in certificates of origin, and for clearing.

Of the biggest clients of the PolPX Group, the only company with a stake held by the State Treasury which entered individually into material transactions with the PolPX Group was Polskie Górnictwo Naftowe i Gazownictwo S.A. (Polish Oil and Gas Company, "PGNiG"). The total revenue of PolPX and WCCH from PGNiG was PLN 3,825 thousand in the three-month period ended on 31 March 2016 and PLN 3,131 thousand in the three-month period ended on 31 March 2015. PGNiG is a participant of the markets operated by PolPX and a member of WCCH.

No other companies with a stake held by the State Treasury which entered into individually or collectively material transactions with the Group were identified among suppliers of the Group.

All trade transactions with entities with a stake held by the State Treasury are concluded in the normal course of business and are carried out on an arm's length basis. According to the Group's estimates, the individual and aggregate impact of other trade transactions with entities with a stake held by the State Treasury was immaterial in the period ended on 31 March 2016.

In accordance with the Polish law, the Group's companies are subject to tax obligations. Hence, they pay tax to the State Treasury, which is a related party. The rules and regulations applicable to the Group's companies in this regard are the same as those applicable to other entities which are not related parties.

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

### **Polish Financial Supervision Authority**

The Act of 12 June 2015 amending the Capital Market Supervision Act and certain other Acts has largely extended the list of entities required to finance supervision (by adding, among others, banks, insurers, investment funds, public companies, brokerage houses and foreign investment firms) and increased the amount of contributions of entities. As a result, the cost paid by the GPW Group may be reduced significantly in 2016 and beyond compared to PLN 22.0 million paid in 2015. The Act was signed into law by the President of Poland on 31 July 2015 and promulgated in the Journal of Laws on 31 August 2015. The Regulation of the Minister of Finance which determines among others the calculation method as well as the terms and conditions of the payment of fees by relevant entities took effect as of 1 January 2016. GPW reduced the transaction fees on trade in shares, rights to shares and ETF units in the part charged on the value of an order up to PLN 100 thousand from 0.033% to 0.029% as of 1 January 2016 in order to share the savings resulting from the change of the structure of fees paid to PFSA in favour of market participants. The reduction of the fees paid to PFSA (by approximately a half in the GPW Group compared to 2015) combined with the reduction of the trading fees offered by GPW will result in a commensurate decrease of both revenue and operating expenses of the GPW Group throughout 2016.

Following an amendment of regulations governing fees paid to cover the cost of supervision of the capital market and in view of the provisions of an interpretation of the International Financial Reporting Interpretations Committee (IFRIC 21), the GPW Group has decided to change the timing of recognition of liabilities in respect of fees due to PFSA and of charging the fees to costs. Previously, GPW recognised 1/12 of the annual fee due to PFSA in each month of the year. According to IFRIC 21, the entity should recognise liabilities in respect of fees due to PFSA at the date of the obligating event. The obligating event is the business subject to the fees due to PFSA carried out as at the 1 January of each year. Consequently, the total estimated amount of the annual fees due to PFSA will be charged to the results of the GPW Group's results in the first quarter of each year.

As a result of the modified presentation of fees due to PFSA, the GPW Group's operating expenses in Q1 2016 will include the entire fee at PLN 11,213 thousand. However, the GPW Group's operating expenses in subsequent quarters of the year will not include the annual fee due to PFSA, which will reduce them by approximately PLN 2.7 million per quarter compared to a steady distribution of the fees over the year. The modification is a purely presentational movement between different quarters. It will not affect the GPW Group's annual results.

The Chairperson of the Polish Financial Supervision Authority publishes the fees and the indicators necessary to calculate the fees in a public communique promulgated in the Official Journal of the Polish Financial Supervision Authority by 31 August of each calendar year. On that basis, the entities obliged to pay the fee will calculate the final amount of the annual fee due for the year and pay the fee by 30 September of the calendar year.

Until the end of 2015, 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 Group incurred costs of fees paid to the State Treasury in the amount set by the Polish Financial Supervision Authority. The parent entity contributed monthly prepayments for fees due to PFSA for supervision over the capital market. PFSA made final yearly settlements of the fees by 10 February of the following year. Fees paid by the Group amounted to PLN 5,716 thousand in the first three months of 2015.

### **Tax Office**

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

(all amounts in PLN'000 unless stated otherwise)

### 13.2. Transactions with associates

Table 13: Transactions of GPW Group companies with associates

	As at 31 March 2016 (unaudited)		Three-month period ended 31 March 2016 (unaudited)	
	Receivables	Liabilities	Sales revenue	Operating expenses
KDPW S.A. Group	-	-	-	3
Centrum Giełdowe S.A.	55	10	45	81
Aquis Exchange Limited	7	-	7	-
<b>Total</b>	<b>63</b>	<b>10</b>	<b>52</b>	<b>84</b>

Table 14: Transactions of GPW Group companies with associates

	As at 31 December 2015		Three-month period ended 31 March 2015 (unaudited)	
	Receivables	Liabilities	Sales revenue	Operating expenses
KDPW S.A. Group	1	1	-	3
Centrum Giełdowe S.A.	-	146	-	310
Aquis Exchange Limited	7	-	-	-
<b>Total</b>	<b>8</b>	<b>147</b>	<b>-</b>	<b>313</b>

During the first three months of 2016 and 2015, there were no write-offs or material impairment allowances created for receivables from associates.

As owner and lessee of office space in the Centrum Giełdowe building, GPW pays rent and operating expenses for joint property to the building manager, Centrum Giełdowe S.A.

In 2015 and 2016, GPW also concluded transactions with the Książęca 4 Street Housing Cooperative of which it is a member. The expenses amounted to PLN 843 thousand in the first three months of 2016 and PLN 971 thousand in the first three months of 2015.

### 13.3. Information on remuneration and benefits of the key management personnel

The management personnel of the Group includes the Exchange Management Board and the Exchange Supervisory Board. The data presented in the table below are for all (current and former) members of the Exchange Management Board and the Exchange Supervisory Board who were in office in 2015 and 2016, respectively.

The table does not present social security contributions paid by the employer.

(all amounts in PLN'000 unless stated otherwise)

Table 15: Remuneration and benefits to the key management personnel of the Group

	Three-month period ended 31 March (unaudited)	
	2016	2015
Base salary	817	867
Holiday leave equivalent	27	-
Bonus - Bonus Bank	140	277
Bonus - one-off payment	85	208
Bonus - phantom shares	58	208
Other benefits	33	45
Benefits after termination	55	330
<b>Total remuneration of the Exchange Management Board</b>	<b>1,215</b>	<b>1,935</b>
<b>Remuneration of the Exchange Supervisory Board</b>	<b>133</b>	<b>137</b>
<b>Total remuneration of the key management personnel</b>	<b>1,348</b>	<b>2,072</b>

## 14. Dividend

No resolution to distribute the Company's profit for 2015 was approved until the publication date of these Financial Statements.

## 15. Seasonality

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

## 16. 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 key decision makers who are responsible for allocation of the resources to the segments and assessment of 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 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. The Group also engages in capital market education, promotion and information activities and organises an alternative trading system.

The Financial Market includes three subsegments:

- Trading (mainly revenue from trading fees which depends on turnover on the exchange, fees for access to exchange systems);

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

- Listing (revenue from annual securities listing fees and one-off fees, e.g., for introduction of securities to trading on the exchange);
- Information services (mainly revenue from information services for data vendors, historical data).

The Financial Market segment includes the companies GPW and BondSpot.

- 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 Warsaw Commodity Clearing House ("WCCH") and offers exchange trade in commodities (electricity, gas) as well as property rights in certificates of origin of electricity and operates the Register of Certificates of Origin of electricity through the company PolPX. The GPW Group also earns revenues from the activity of a trade operator on the electricity market.

The Commodity Market includes the following sub-segments:

- Trading (mainly revenue on the Energy Market from spot and forward transactions in electricity, revenue from spot and forward transactions in natural gas, revenue on the Property Rights Market from trade in certificates of origin of electricity);
- Operation of the Register of Certificates of Origin of electricity (mainly revenue from issuance and cancellation of property rights in certificates of origin of electricity);
- CO<sub>2</sub> Allowances Market (trade in property rights in certificates of origin of electricity);
- Clearing (revenue from other fees paid by market participants (members)).

The Commodity Market segment includes the PolPX Group.

- 3) The segment **Other** includes mainly activities of the companies IAiR and GPW Centrum Usług.

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

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 net profit or loss.

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

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

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.

(all amounts in PLN'000 unless stated otherwise)

Table 16: Business segments: Revenue

	Three-month period ended 31 March 2016 (unaudited)				
	Financial Market	Commodity Market	Other	Exclusions and adjustments	Total GPW Group
Sales to external clients	44,766	36,265	-	-	<b>81,031</b>
Sales between segments and intra-Group transactions	308	40	69	(417)	-
<b>Sales revenues</b>	<b>45,074</b>	<b>36,305</b>	<b>69</b>	<b>(417)</b>	<b>81,031</b>

Table 17: Business segments: Statement of comprehensive income

	Three-month period ended 31 March 2016 (unaudited)				
	Financial Market	Commodity Market	Other	Exclusions and adjustments	Total GPW Group
Sales revenues	45,074	36,305	69	(417)	81,031
Operation expenses	(32,224)	(14,132)	(183)	417	(46,122)
<i>incl. depreciation and amortisation</i>	(5,098)	(1,227)	(45)	-	(6,370)
<b>Profit/(loss) on sales</b>	<b>12,850</b>	<b>22,173</b>	<b>(114)</b>	-	<b>34,909</b>
Profit / (loss) on other operations	(412)	88	5	-	(319)
<b>Operating profit / (loss)</b>	<b>12,438</b>	<b>22,261</b>	<b>(109)</b>	-	<b>34,589</b>
Profit / (loss) on financial operations, incl.	(509)	394	3	-	(112)
<i>interest income</i>	1,208	450	3	-	1,661
<i>interest expenses</i>	1,886	1	-	-	1,887
Share of profit of associates	-	-	-	(1,368)	(1,368)
<b>Profit before income tax</b>	<b>11,929</b>	<b>22,655</b>	<b>(106)</b>	<b>(1,368)</b>	<b>33,109</b>
Income tax expense	(2,322)	(4,448)	-	-	(6,771)
<b>Profit for the period</b>	<b>9,607</b>	<b>18,207</b>	<b>(106)</b>	<b>(1,368)</b>	<b>26,338</b>



(all amounts in PLN'000 unless stated otherwise)

Table 18: Business segments: Statement of financial position

	As at 31 March 2016 (unaudited)				
	Financial Market	Commodity Market	Other	Exclusions and adjustments	Total GPW Group
Total assets	791,040	247,314	4,209	63,138	1,105,701
Total liabilities	308,613	49,631	103	(277)	358,070
<b>Net assets (assets less liabilities)</b>	<b>482,426</b>	<b>197,683</b>	<b>4,106</b>	<b>63,415</b>	<b>747,631</b>

Table 19: Business segments: Revenue

	Three-month period ended 31 March 2015 (unaudited)				
	Financial Market	Commodity Market	Other	Exclusions and adjustments	Total GPW Group
Sales to external clients	50,576	37,388	203	-	<b>88,167</b>
Sales between segments and intra-Group transactions	239	61	92	(393)	-
<b>Sales revenues</b>	<b>50,815</b>	<b>37,450</b>	<b>295</b>	<b>(393)</b>	<b>88,167</b>

(all amounts in PLN'000 unless stated otherwise)

Table 20: Business segments: Statement of comprehensive income

	Three-month period ended 31 March 2015 (unaudited)				
	Financial Market	Commodity Market	Other	Exclusions and adjustments	Total GPW Group
Sales revenues	50,815	37,450	295	(393)	88,167
Operation expenses	(30,199)	(9,753)	(633)	494	(40,091)
<i>incl. depreciation and amortisat</i>	<i>(5,624)</i>	<i>(545)</i>	<i>(26)</i>	-	<i>(6,195)</i>
<b>Profit/(loss) on sales</b>	<b>20,616</b>	<b>27,697</b>	<b>(338)</b>	<b>101</b>	<b>48,076</b>
Profit / (loss) on other operations	(193)	231	(3)	-	35
<b>Operating profit / (loss)</b>	<b>20,423</b>	<b>27,928</b>	<b>(341)</b>	<b>101</b>	<b>48,111</b>
Profit / (loss) on financial operations, incl.	(1,156)	299	6	-	(851)
<i>interest income</i>	<i>1,202</i>	<i>290</i>	<i>7</i>	-	<i>1,499</i>
<i>interest expenses</i>	<i>(1,935)</i>	-	-	-	<i>(1,935)</i>
Share of profit of associates	-	-	-	212	212
<b>Profit before income tax</b>	<b>19,267</b>	<b>28,227</b>	<b>(335)</b>	<b>313</b>	<b>47,472</b>
Income tax expense	(3,592)	(5,461)	-	(19)	(9,072)
<b>Profit for the period</b>	<b>15,675</b>	<b>22,766</b>	<b>(335)</b>	<b>294</b>	<b>38,400</b>

Table 21: Business segments: Statement of financial position

	As at 31 December 2015				
	Financial Market	Commodity Market	Other	Exclusions and adjustments	Total GPW Group
Total assets	753,251	202,002	4,270	63,293	1,022,815
Total liabilities	280,584	22,281	75	(1,392)	301,548
<b>Net assets (assets less liabilities)</b>	<b>472,667</b>	<b>179,720</b>	<b>4,195</b>	<b>64,684</b>	<b>721,267</b>

(all amounts in PLN'000 unless stated otherwise)

## 17. WCCH Clearing Guarantee System

The clearing guarantee system operated by WCCH includes:

- **Transaction deposits** which cover cash settlement;
- **Margins** which cover positions in forward instruments;
- **Guarantee funds** which guarantee the clearing of transactions concluded on forward markets in the event of a shortage of transaction deposits and margins posted by a member;
- **Margin monitoring system** which compares the amount of liabilities of a WCCH clearing member under exchange transactions and margins with the amount of posted transaction deposits and margins.

Table 22: Cash posted as transaction deposits and margins and contributions to the guarantee funds

	As at 31 March 2016 (unaudited)		As at 31 December 2015	
	Cash in WCCH accounts	Cash in clients accounts	Cash in WCCH accounts	Cash in clients accounts
Transaction deposits	491,361	270,751	573,617	408,672
Margins	72,086	288,711	109,943	382,013
Guarantee funds	224,694	46,810	192,446	44,005
<b>Total</b>	<b>788,141</b>	<b>606,272</b>	<b>876,007</b>	<b>834,690</b>

Non-cash collateral credited to margins stood at PLN 452,650 thousand as at 31 March 2016 and PLN 325,988 thousand as at 31 December 2015.

Cash of guarantee funds and transaction deposits is not presented as assets in the Group's statement of financial position.

Benefits from the management of the resources of the guarantee system are added to contributions of members to individual elements of the clearing guarantee system. Such benefits are debited with management fees in amounts set by the WCCH Management Board.

## 18. Events after the balance sheet date

Mr Karol Półtorak, Vice-President of the GPW Management Board, resigned on 16 March 2016. The GPW Supervisory Board at its meeting on 16 March 2016 appointed Mr Paweł Dziekoński as Vice-President of the GPW Management Board. The Polish Financial Supervision Authority ("PFSA") at its meeting on 19 April 2016 approved the change on the Exchange Management Board through the appointment of Mr Paweł Dziekoński as Vice-President of the GPW Management Board. The change on the Exchange Management Board is effective as of the delivery of the PFSA decision to the Company, i.e., as of 20 April 2016.

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

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

Małgorzata Zaleska – President of the Management Board .....

Paweł Dziekoński – Vice-President of the Management Board .....

Dariusz Kułakowski – Vice-President of the Management Board .....

Grzegorz Zawada – Vice-President of the Management Board .....

Signature of the person responsible for keeping the accounting records:

Sylwia Sawicka – Chief Accountant .....

Warsaw, 25 April 2016