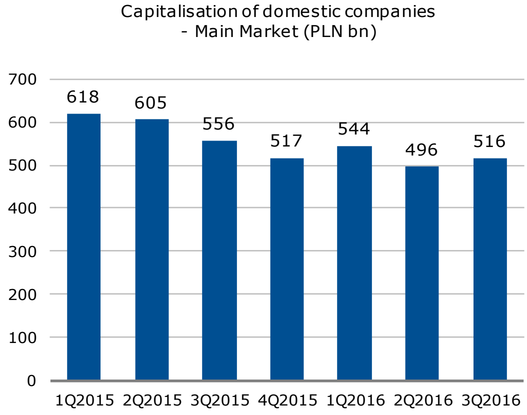
Giełda Papierów Wartościowych w Warszawie S.A. Group

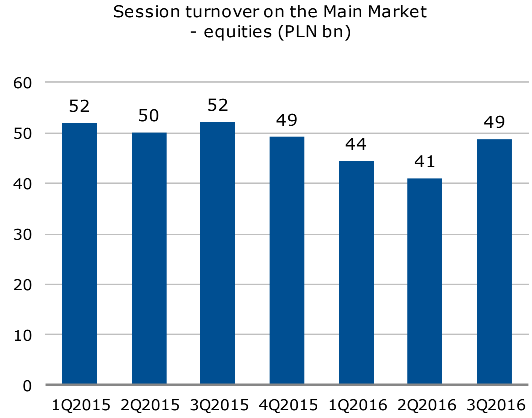
Quarterly Report for Q3 2016

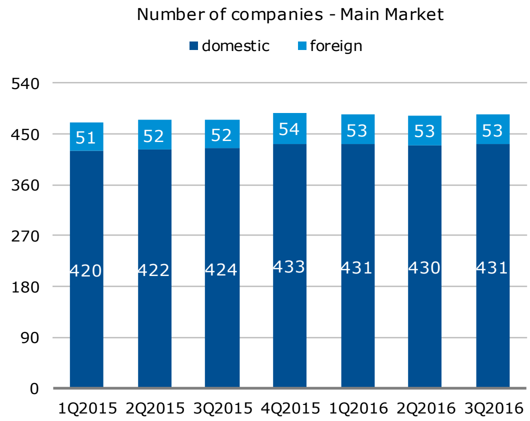
Warsaw, 28 October 2016

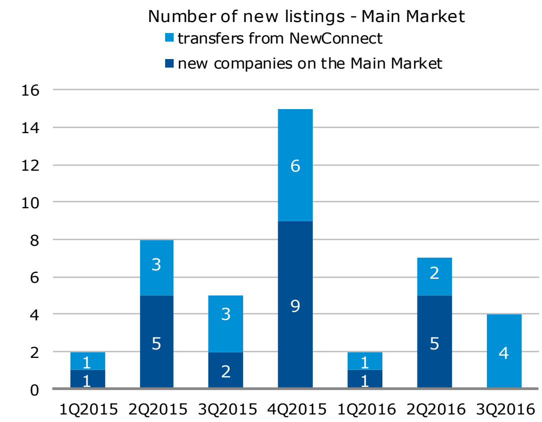
Spis treści

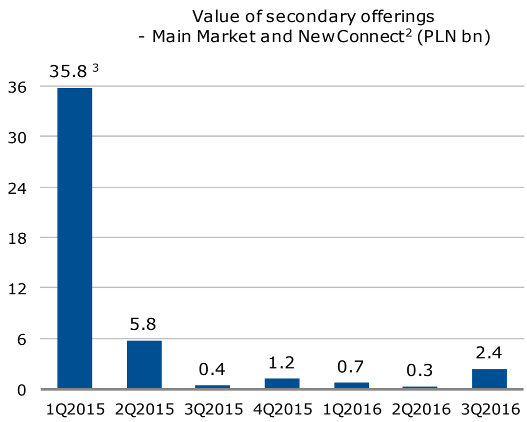
I. Selected market data[1]

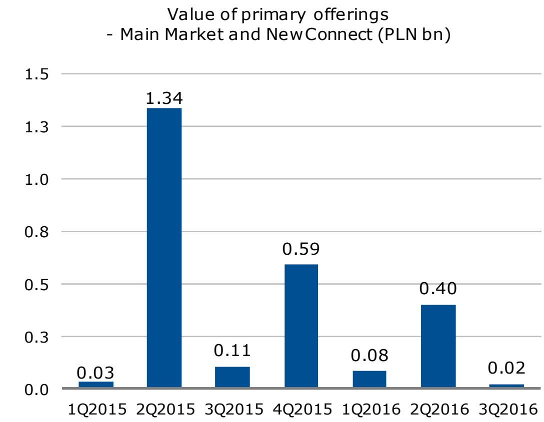




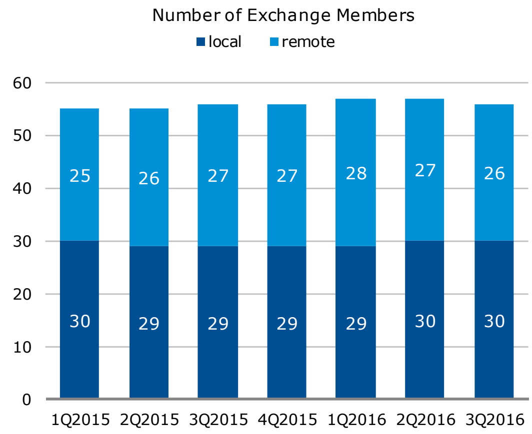


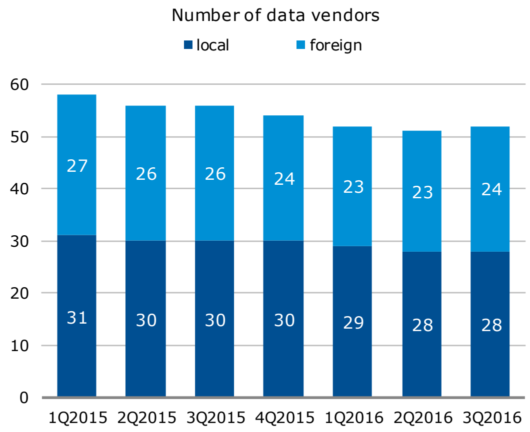


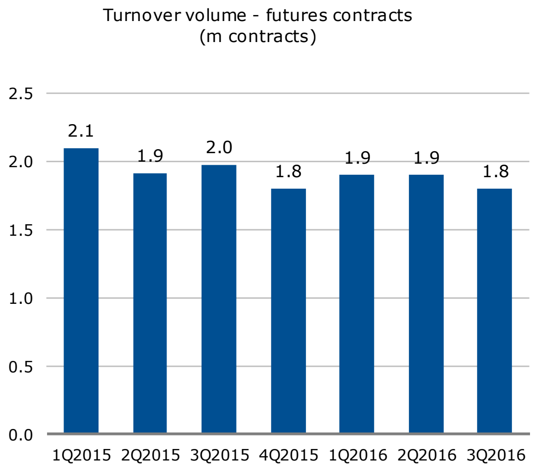


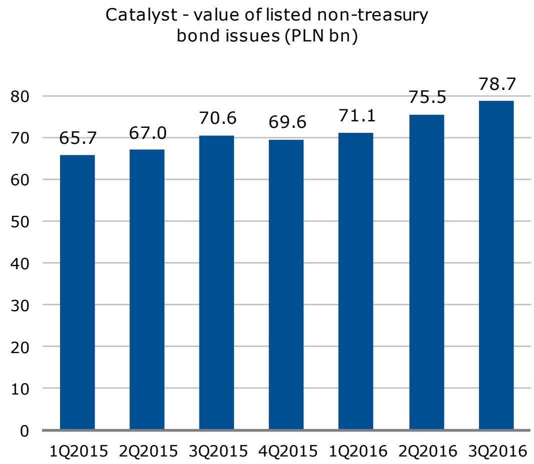


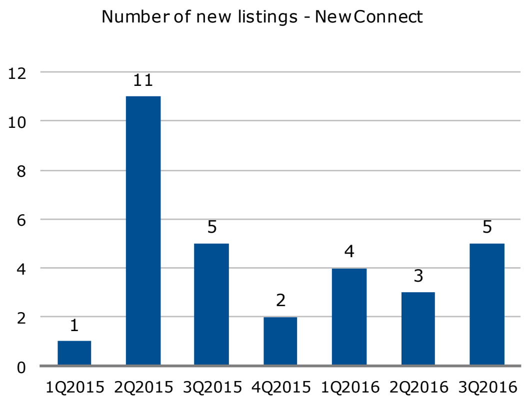
[1] All trading value and volume statistics presented in this Report are single-counted, unless indicated otherwise.
[2] Including offerings of dual-listed companies.
[3] Two SPOs of Banco Santander S.A. in a total amount of PLN 33 billion took place in Q1 2015.

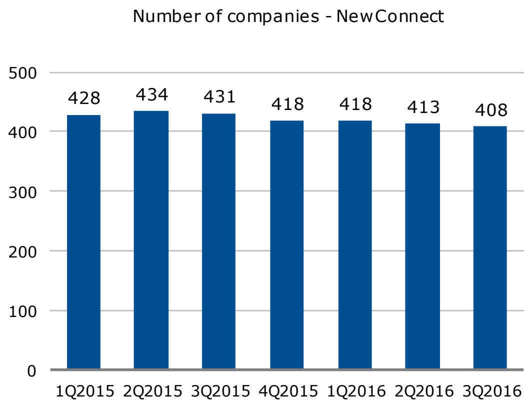

Number of Exchange Members
local
remote
60
50
40
30
20
10
0
25
26
27
27
28
27
26
30
29
29
29
29
30
30
1Q2015 2Q2015 3Q2015 4Q2015 1Q2016 2Q2016 3Q2016


Number of data vendors
local
foreign
60
50
40
30
20
10
0
27
26
26
24
23
23
24
31
30
30
30
29
28
28
1Q2015 2Q2015 3Q2015 4Q2015 1Q2016 2Q2016 3Q2016

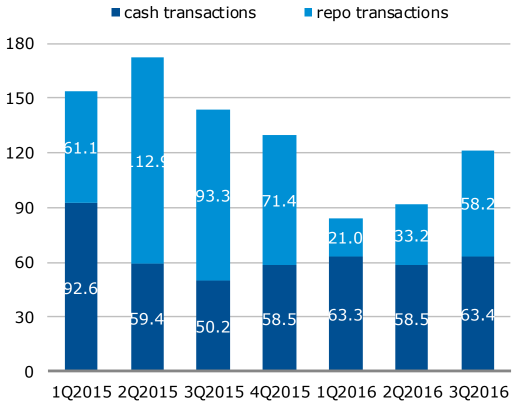

Turnover volume - futures contracts
(m contracts)
2.5
2.0
1.5
1.0
0.5
0.0
2.1
1.9
2.0
1.8
1.9
1.9
1.8
1Q2015 2Q2015 3Q2015 4Q2015 1Q2016 2Q2016 3Q2016


Catalyst - value of listed non-treasury
bond issues (PLN bn)
80
70
60
50
40
30
20
10
0
65.7
67.0
70.6
69.6
71.1
75.5
78.7
1Q2015 2Q2015 3Q2015 4Q2015 1Q2016 2Q2016 3Q2016

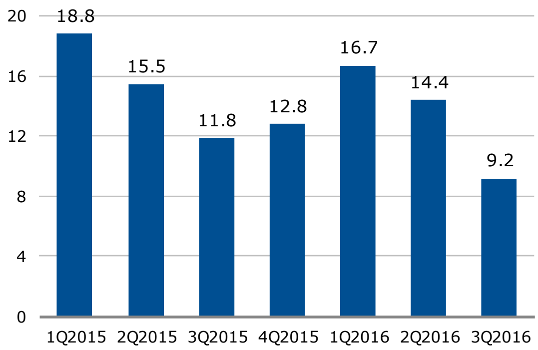

Number of new listings - NewConnect
12
10
8
6
4
2
0
1
11
5
2
4
3
5
1Q2015 2Q2015 3Q2015 4Q2015 1Q2016 2Q2016 3Q2016


Number of companies - NewConnect
500
400
300
200
100
0
428
434
431
418
418
413
408
1Q2015 2Q2015 3Q2015 4Q2015 1Q2016 2Q2016 3Q2016

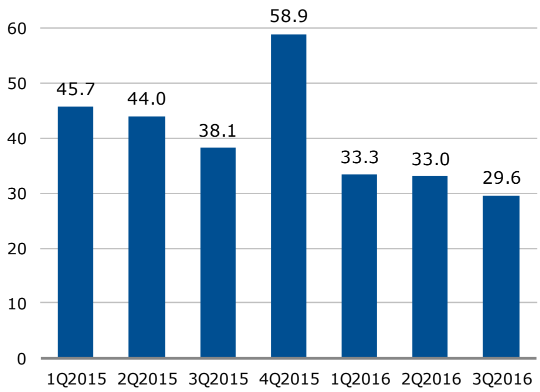
Treasury debt securities turnover value - TBSP (PLN bn)



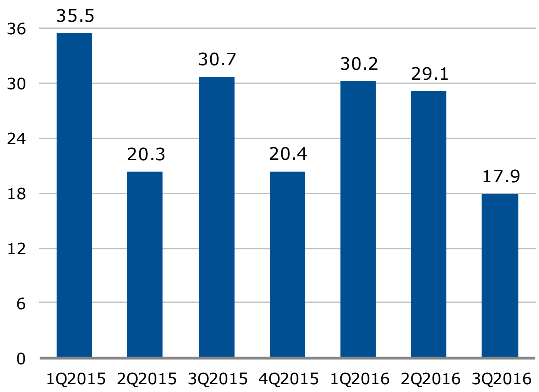
Turnover volume - property rights in certificates of origin of electricity from RES (TWh)



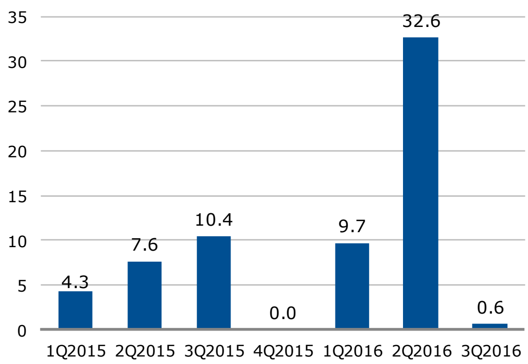
Turnover volume - electricity (spot + forward; TWh)



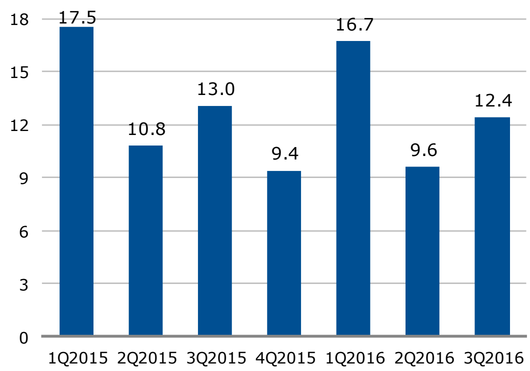
Turnover volume - gas (spot + forward; TWh)



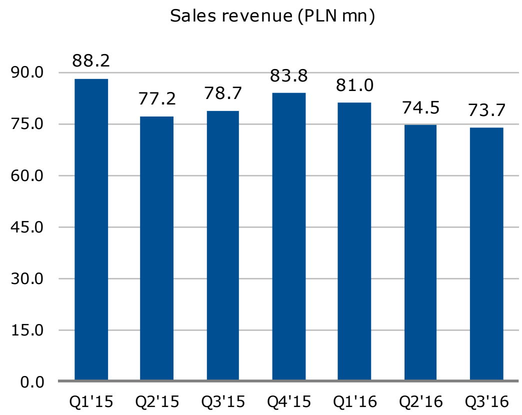
Volume of redeemed certificates of origin of electricity from RES (TWh)

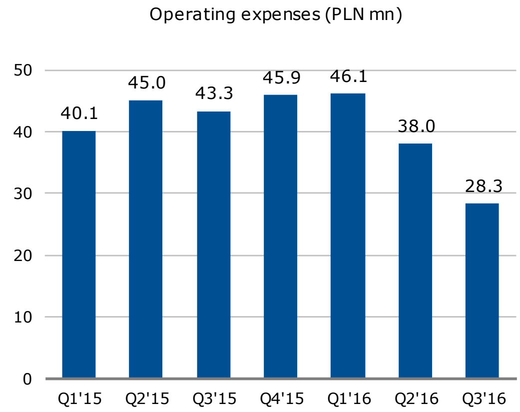


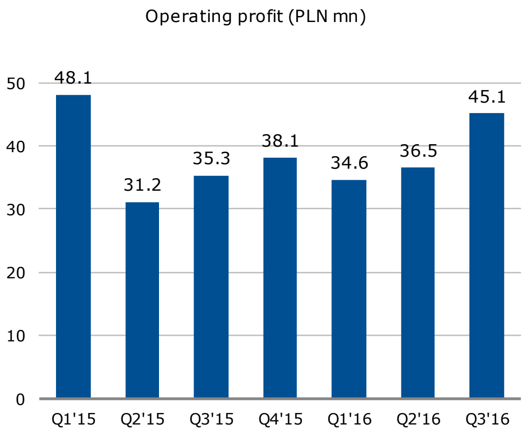
Volume of issued certificates of origin of electricity from RES (TWh)

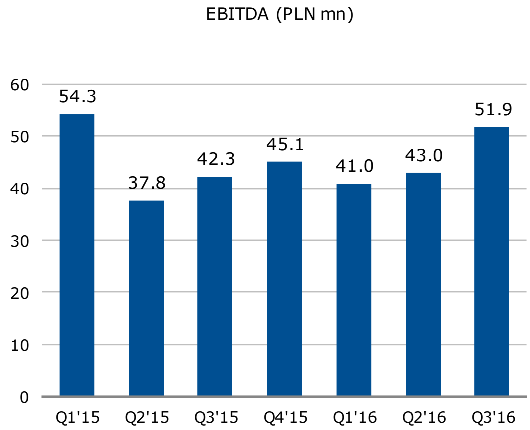


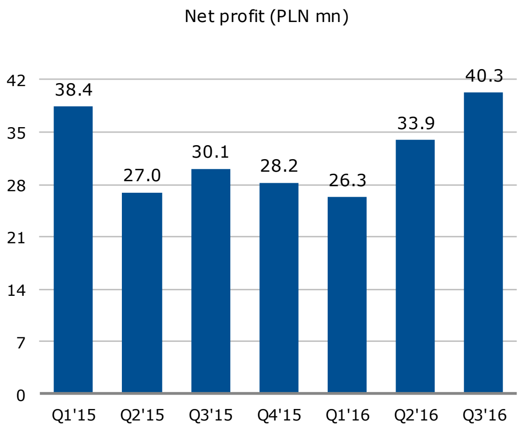
II. Selected financial data











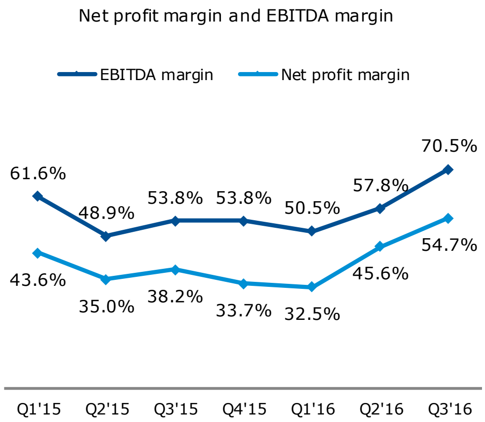


Table 1: Selected data in the consolidated statement of comprehensive income under IFRS, unaudited

	Nine - month period ended 30 September			
	2016	2015	2016	2015
	PLN'000		*EUR'000* [1]	
Sales revenue	**229,150**	**244,071**	**52,584**	**58,708**
Financial market	**134,222**	**150,965**	**30,800**	**36,312**
Trading	85,832	103,735	19,696	24,952
Listing	17,790	18,456	4,082	4,439
Information services	30,600	28,774	7,022	6,921
Commodity market	**93,687**	**90,950**	**21,499**	**21,877**
Trading	44,363	44,909	10,180	10,802
Register of certificates of origin	21,243	18,648	4,875	4,486
Clearing	28,081	27,392	6,444	6,589
Other revenue	**1,241**	**2,157**	**285**	**519**
Operating expenses	**112,419**	**128,482**	**25,797**	**30,904**
Other income	445	1,093	102	263
Other expenses	970	2,109	223	507
Operating profit	**116,206**	**114,573**	**26,666**	**27,559**
Financial income	10,639	8,078	2,441	1,943
Financial expenses	6,162	6,618	1,414	1,592
Share of profit of associates	2,282	187	524	45
Profit before income tax	**122,965**	**116,220**	**28,217**	**27,955**
Income tax expense	22,335	20,732	5,125	4,987
Profit for the period	**100,630**	**95,488**	**23,092**	**22,968**
Basic / Diluted earnings per share[2] (PLN, EUR)	2.40	2.28	0.55	0.55
EBITDA[3]	**135,914**	**134,398**	**31,189**	**32,327**

[1] Based on the nine-month average of EUR/PLN exchange rate published by the National Bank of Poland (1 EUR = 4.3578 PLN in the first nine months of 2016 and 1 EUR = 4.1574 PLN in the first nine months of 2015).

[2] Based on total net profit.

[3] 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

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

	As at			
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	w PLN'000		EUR'000 [1]	
Non-current assets	**584,694**	**580,645**	**135,597**	**136,254**
Property, plant and equipment	119,554	125,229	27,726	29,386
Intangible assets	262,401	261,728	60,854	61,417
Investment in associates	196,025	188,570	45,460	44,250
Deferred tax assets	1,749	-	406	-
Available-for-sale financial assets	288	282	67	66
Non-current prepayments	4,677	4,836	1,085	1,135
Current assets	**462,093**	**442,170**	**107,164**	**103,759**
Trade and other receivables	38,093	81,273	8,834	19,072
Cash and cash equivalents	423,933	360,393	98,315	84,570
Other current assets	67	504	16	118
TOTAL ASSETS	**1,046,787**	**1,022,815**	**242,761**	**240,013**
Equity attributable to the shareholders of the parent entity	722,353	720,721	167,522	169,124
Non-controlling interests	512	546	119	128
Non-current liabilities	137,314	258,799	31,845	60,729
Current liabilities	186,608	42,749	43,276	10,032
TOTAL EQUITY AND LIABILITIES	**1,046,787**	**1,022,815**	**242,761**	**240,013**

[1] Based on the average EUR/PLN exchange rate of the National Bank of Poland as at 30.09.2016 (1 EUR = 4.3120 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 ("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)[4] and Central and Eastern Europe (CEE)[5]. The markets operated by GPW list stocks and bonds of more than a thousand local and international issuers. The Exchange also offers trading in derivatives and structured products, as well as information services. 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:

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

Basic information about the parent entity:

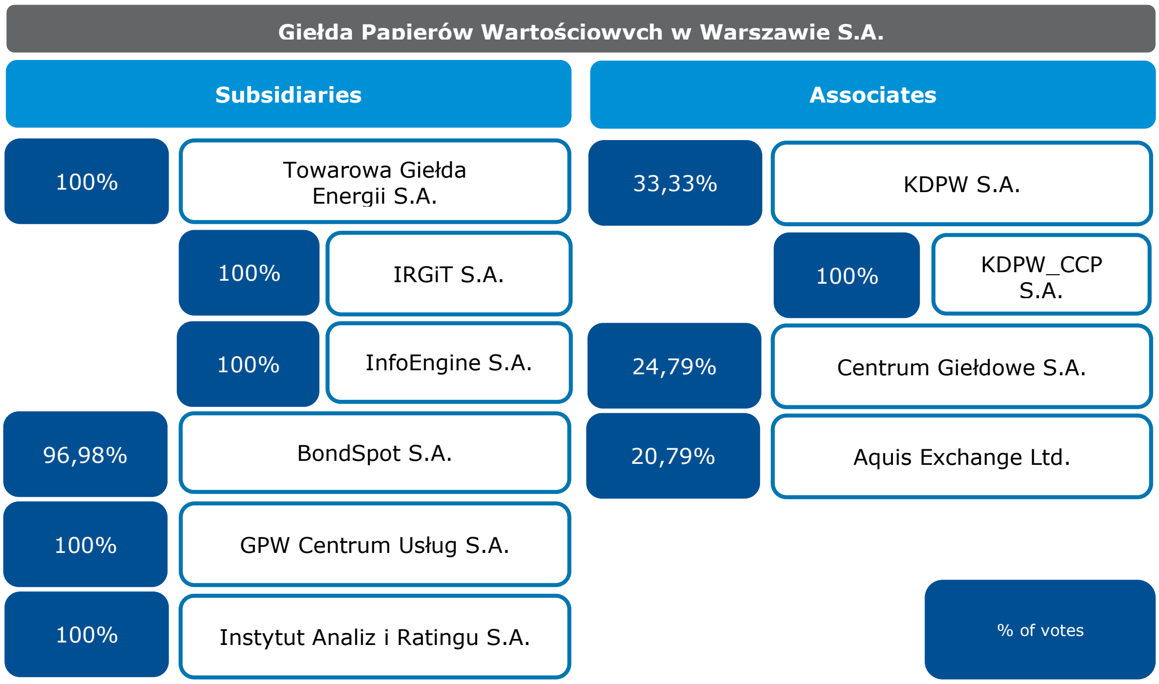
Name and legal status:	Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna
Abbreviated name:	Giełda Papierów Wartościowych w Warszawie S.A.
Registered office and address:	ul. Książęca 4, 00-498 Warsaw, Poland
Telephone number:	+48 (22) 628 32 32
Telefax number:	+48 (22) 628 17 54, +48 (22) 537 77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

[4] EME – Emerging Markets Europe: Czech Republic, Greece, Hungary, Poland, Russia, Turkey.
[5] 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 30 September 2016, the parent entity and four consolidated subsidiaries comprised the Giełda Papierów Wartościowych w Warszawie S.A. Group. In addition, GPW held shares in three associates.

Figure 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, 1.3% of the Romanian stock exchange S.C. SIBEX – Sibiu Stock Exchange S.A., 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 as well as bonds held by the Company's and the Group's managing and supervising persons as at the date of publication of this Report

As at 30 September 2016, 25 shares were held by the Company's and the Group's managing and supervising persons; all those shares were held by one Member of the Management Board of GPW, Mr Dariusz Kułakowski.

	Number of shares held	Number of allotment certificates held	Number of bonds held
Exchange Management Board			
Małgorzata Zaleska	-	-	-
Paweł Dziekoński	-	-	-
Michał Cieciórski	-	-	-
Dariusz Kułakowski	25	-	-
Exchange Supervisory Board			
Adam Miłosz	-	-	-
Ewa Sibrecht-Ośka	-	-	-
Jarosław Grzywiński	-	-	-
Jacek Lewandowski	-	-	-
Marek Słomski	-	-	-
Marek Dietl	-	-	-
Jarosław Dominiak	-	-	-

Source: Company

2. Main risks and threats related to the remaining months of 2016

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

The risk factors presented below may impact the operation of GPW in the remaining months of 2016, however the order in which they are presented does not reflect their relative importance for the Group.

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

The Group faces competition from other exchanges and alternative trading platforms; their entry to the Polish market may adversely impact the activity of the Group and its subsidiaries, their financial position and results of operations

The global exchange sector is highly competitive. Competition in trading and post-trade services in the European Union has been bolstered by legislative amendments designed to harmonise the regulations of EU member states and to integrate their financial markets. Multilateral trading facilities (MTFs) and other forms of exchange and OTC trading could be competitive to the GPW Group. Their active presence on the Polish market could cause attrition of some part of trading on the platforms operated by the Group and increase the pressure on transaction fees charged.

Risk factors related to geopolitics and the global economic conditions

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

The Group's business is dependent on the conditions on the global financial markets. Trends in the global economy, especially in Europe and the USA, as well as geopolitics in the neighbouring countries impact investors' perception of risks and their activity on financial and commodity markets. Furthermore, as global investors think in terms of geographical regions to look for locations of investments, Poland and GPW may be perceived less favourably despite a stronger macroeconomic position compared to peer countries in the region. Less activity of international investors on the markets operated by the GPW Group could also make them less attractive to other market participants.

Risk factors relating to laws and regulations

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

GPW Group companies operate primarily in Poland but in addition to national law they are also governed by EU regulations. The legal system and regulatory environment can be subject to frequent and sometimes significant unanticipated changes while laws and regulations applicable in Poland may be subject to conflicting official interpretations. The capital market and the commodity instruments market are subject to broad governmental regulation and may be subject to increasing regulatory scrutiny. Regulatory changes may have an adverse effect on GPW and its subsidiaries and on the current and future users of services of the GPW Group.

MiFID II and its implementing regulations will impact the shape and operation of the European exchange sector, including the activity of the Company.

MiFID II is expected to take effect in January 2018 following its transposition into national legislation as well as the implementation of the implementing regulations. MiFID II modifies the detailed requirements applicable to the provision of investment services, organisational requirements for investment firms, trading platforms and market data service providers, and the rights of supervisory authorities.

The final cost of MiFID II implementation by the Company and the split of the cost between the Company and other market participants is not yet known as at the date of the Prospectus.

There is no guarantee that the cost paid by the Company to implement MiFID II will have no adverse impact on the activity of the Group, its financial position and results, and consequently on the ability of the Company to make payments due under the Bonds and to redeem them at maturity, and on the value of the Bonds.

Amendments of regulations resulting in limitation of the activity of open-ended pension funds or their substitution with other collective investment vehicles and limitation or elimination of cash flows to and from open-ended pension funds could diminish or even discontinue the activity of this investor group on GPW.

Open-ended pension funds are an important group of participants on the markets operated by the Group. As at the end of 2015, they generated ca. 5% of turnover in shares on the GPW Main Market and held shares accounting for 21% of the capitalisation of domestic companies and 43.1% of shares traded on the Main Market (among shareholders holding less than 5% of shares of a public company or being financial investors). Furthermore, they may amplify the risk of a significant oversupply of shares listed on GPW and reduce the interest of other investors in such shares.

As a result, this may affect the turnover in financial instruments, including shares on GPW, the number and value of shares and bonds admitted and introduced to trading on GPW, and consequently the revenue of the Group and its financial results.

Amendments of Polish energy laws concerning the obligation of selling electricity and natural gas on the public market could have an adverse impact on the business of the Polish Power Exchange, its financial position and results of operations

The Energy Law imposes on energy companies which generate electricity the obligation of selling no less than 15% of electricity generated within the year among others on commodity exchanges. A similar obligation of selling no less than 55% of high-methane natural gas introduced to the transmission grid within the year has been imposed on energy companies trading in gas. Amendments or cancellation of these obligations could result in less active presence of certain participants of the Polish Power Exchange, impair the liquidity of trade in electricity and natural gas, and make the commodity market less attractive to other participants.

Furthermore, the Energy Law imposes on energy companies which generate electricity, and which are entitled to receive reimbursement of stranded costs in the event of early termination of long-term contracts for the sale of electric power and energy[6], the obligation of selling the remaining quantity of generated electricity (not subject to the obligation of selling 15% referred to above) in a manner which ensures public equal access to such energy, in an open tender, on a market organised by an operator of a regulated market in the Republic of Poland or on commodity exchanges. The number of companies subject to that obligation is decreasing with time, which may result in their less active presence on the Polish Power Exchange, impair the liquidity of trade in electricity, and make the commodity market less attractive to other participants.

[6] Under the Act of 29 June 2007 on Principles of Covering the Cost of Early Termination of Long-term Power and Electricity Sale Contracts Incurred by Producers.

The Renewable Energy Sources Act, effective since May 2015, could have an adverse impact on the business of the Polish Power Exchange, its financial position and results of operations

The Renewable Energy Sources Act of 20 February 2015 implements a new system of support for energy generated from renewable energy sources (RES) as of 2016 based on auctions. The existing system based on green certificates of origin will operate no longer than 31 December 2035. In practice, the system may be completely phased out earlier than that due to the fact that certificates of origin are available within 15 years after the first generation of energy in an installation (confirmed by an issued certificate of origin). For those RES installations which first started generating energy subject to green certificates of origin (in 2005), the period of 15 years under the Act will end in 2020; after that, the existing support system will be gradually phased out over many years. Furthermore, the Act allows companies benefiting from support under certificates of origin to switch to the auction system before the end of 15 years. Consequently, some of them may switch to the auction system at an earlier date (before 2020), which would have an adverse impact on the results of the TGE Group.

In addition, the Act narrows down the scope of entities eligible for support under green certificates (excluding large hydropower installations; over 5 MW) and imposes restrictions on the issuance of certificates of origin for multi-fuel combustion plants.

The aforementioned changes and other provisions of the Renewable Energy Sources Act of 20 February 2015 and its implementing regulations could have an adverse impact on the activity of participants of the Property Rights Market and the Register of Certificates of Origin operated by the Polish Power Exchange and, consequently, on the results of the TGE Group.

Risk factors related to the business activity of the Group

The Company cannot control regulatory fees which represent a significant share of the Group's expenses

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 GPW has been reduced significantly in 2016 compared to PLN 22.0 million in 2015. However, there is a risk that the costs may increase gradually in the coming years.

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, an entity recognises a liability for fees due to PFSA at the date of the obligating event. The obligating event is the fact of carrying out a business subject to fees due to PFSA as at 1 January of each year. Consequently, the estimated amount of the annual fees due to PFSA will be charged to the accounts of the GPW Group of the first quarter of each year.

However, the amount of the liability is not yet known at the time when it is recognised and charged because the Chairperson of the Polish Financial Supervision Authority publishes the rates 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.

Consequently, the final amount of the fees due to the Polish Financial Supervision Authority may differ from the amount estimated by the GPW Group companies at the time of recognition.

The rates and the indicators necessary to calculate the fees for 2016 had been published before 30 September 2016. Consequently, as at 30 September 2016, the fees due to PFSA for 2016 had been calculated and paid. The amount of the fees is presented in the section *Operating expenses – Fees and charges*.

Changing the model of financing the supervision of the Polish capital market has contributed to a reduction of trading fees, to offset the costs for other market participants since the beginning of 2016. There is a risk that the market could put further pressure for a greater reduction of exchange fees, which may result in lowering the revenue of the GPW Group and have an adverse effect on the GPW Group's financial results.

Risks of the considered take-over of the role of fixing organiser

In the nearest future, the Group is planning to expand the scope of its services by taking over the function of organiser of WIBID and WIBOR reference rate fixings from ACI Polska – Polish Financial Markets Association as well as the functions of calculating agent currently performed by Thomson Reuters. Next, it will apply for authorisation as an administrator within the meaning of Regulation 2016/1011. In the opinion of the Company, the foregoing will not involve any material expenses, while any cost of taking over the functions of organiser and cost of harmonisation with the requirements of Regulation 2016/1011 will be paid from the Group's own funds. As at the date of the Prospectus, the Group has incurred no cost of the aforementioned expansion of the scope of its services.

Potential disputes or reservations concerning the performance of the functions of fixing organiser by a Group company may adversely impact its perception by market participants and its reputation, and cause civil liability of the Group. After obtaining the status of an administrator in connection with the application of Regulation 2016/1011 as of the beginning of 2018, any breach of the obligation of the administrator may lead to civil, administrative or criminal liability.

IV. FINANCIAL POSITION AND ASSETS

1. Summary of results

The **GPW Group** generated EBITDA[7] of PLN 135.9 million in the first nine months of 2016, an increase of PLN 1.5 million compared to PLN 134.4 million in the first nine months of 2015.

The **GPW Group** generated an operating profit of PLN 116.2 million compared to PLN 114.6 million in the first nine months of 2015. The increase of the operating profit by PLN 1.6 million year on year resulted from lower revenue from the financial market segment (a decrease of PLN 16.7 million) combined with higher revenue from the commodity market segment (an increase of PLN 2.7 million) as well as lower operating expenses (a decrease of PLN 16.1 million).

The net profit of the **Group** stood at PLN 100.7 million in the first nine months of 2016 compared to PLN 95.5 million in the first nine months of 2015.

GPW's EBITDA stood at PLN 68.8 million in the first nine months of 2016, a decrease of PLN 0.24 million compared to PLN 69.1 million in the first nine months of 2015.

GPW generated a separate operating profit of PLN 53.7 million in the first nine months of 2016 compared to PLN 52.9 million in the first nine months of 2015.

The increase of **GPW**'s operating profit year on year was mainly a result of lower operating expenses (a decrease of 18.9% or PLN 17.1 million). The decrease of operating expenses was mainly driven by lower *Fees and charges* (a decrease of PLN 11.3 million), *External service charges* (a decrease of PLN 3.2 million) and *Depreciation and amortisation* (a decrease of PLN 1.1 million).

GPW's net profit was PLN 102.9 million in the first nine months of 2016 compared to PLN 83.6 million the first nine months of 2015. The increase of the net profit year on year was driven by a decrease of operating expenses and an increase (by PLN 18.6 million) of net financial income and expenses owing to a higher dividend income.

GPW's separate net profit was higher than the GPW Group's consolidated net profit in the first nine months of 2016 due to consolidation adjustments (mainly dividends). The total consolidation adjustments in the first nine months of 2016 were greater than the total net profit of subsidiaries in the period.

The **TGE Group** generated an operating profit of PLN 62.9 million in the first nine months of 2016 compared to PLN 61.9 million in the first nine months of 2015. The net profit of the TGE Group stood at PLN 52.0 million and PLN 51.0 million, respectively, in the periods under review.

BondSpot generated an operating profit of PLN 0.8 million in the first nine months of 2016 compared to PLN 1.6 million in the first nine months of 2015. The net profit stood at PLN 0.84 million and PLN 1.4 million, respectively, in the periods under review.

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

[7] Operating profit before depreciation and amortisation.

Table 4: Statement of comprehensive income of GPW Group in 2015 and 2016 by quarter and in the first nine months of the year

	2016			2015				2016	2015
PLN'000	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q1-Q3	Q1-Q3
Sales revenue	**73,658**	**74,461**	**81,031**	**83,819**	**78,733**	**77,171**	**88,167**	**229,150**	**244,071**
Financial market	**46,763**	**42,971**	**44,488**	**48,990**	**51,508**	**49,215**	**50,242**	**134,222**	**150,965**
Trading	30,941	26,561	28,330	33,213	36,221	33,142	34,372	85,832	103,735
Listing	5,790	6,129	5,871	6,040	5,683	6,536	6,237	17,790	18,456
Information services	10,032	10,281	10,287	9,737	9,604	9,536	9,633	30,600	28,774
Commodity market	**26,642**	**30,923**	**36,122**	**34,243**	**26,694**	**26,890**	**37,365**	**93,687**	**90,950**
Trading	13,607	14,119	16,637	17,643	12,757	13,623	18,529	44,363	44,909
Register of certificates of origin	5,492	7,797	7,954	5,518	5,535	5,492	7,621	21,243	18,648
Clearing	7,543	9,007	11,531	11,083	8,402	7,775	11,215	28,081	27,392
Other revenue	**253**	**567**	**421**	**586**	**531**	**1,066**	**560**	**1,241**	**2,157**
Operating expenses	**28,271**	**38,026**	**46,122**	**45,910**	**43,344**	**45,047**	**40,091**	**112,419**	**128,482**
Depreciation and amortisation	6,797	6,541	6,370	7,013	7,010	6,619	6,195	19,708	19,824
Salaries	9,060	15,128	13,837	15,552	14,754	14,920	11,437	38,025	41,110
Other employee costs	2,574	2,764	3,192	2,676	2,517	2,958	3,275	8,530	8,750
Rent and maintenance fees	2,425	2,250	2,220	2,258	2,296	2,535	2,696	6,895	7,527
Fees and charges	(2,123)	501	11,642	5,011	6,256	6,190	6,170	10,020	18,616
incl. PFSA fees	*(2,140)*	*3*	*11,213*	*4,605*	*5,914*	*5,812*	*5,717*	*9,076*	*17,443*
External service charges	8,395	9,456	7,558	11,394	9,313	10,063	8,851	25,409	28,227
Other operating expenses	1,143	1,386	1,303	2,006	1,199	1,761	1,467	3,832	4,427
Other income	101	100	244	203	234	172	687	445	1,093
Other expenses	360	46	564	42	311	1,146	652	970	2,109
Operating profit	**45,128**	**36,489**	**34,589**	**38,071**	**35,312**	**31,150**	**48,111**	**116,206**	**114,573**
Financial income	3,430	5,246	1,963	1,863	1,997	4,406	1,675	10,639	8,078
Financial expenses	2,065	2,022	2,075	2,783	1,940	2,153	2,526	6,162	6,618
Share of profit of associates	2,296	1,354	(1,368)	(1,717)	311	(336)	212	2,282	187
Profit before income tax	**48,789**	**41,067**	**33,109**	**35,434**	**35,678**	**33,069**	**47,472**	**122,965**	**116,220**
Income tax expense	8,437	7,127	6,771	7,202	5,566	6,094	9,072	22,335	20,732
Profit for the period	**40,352**	**33,940**	**26,338**	**28,232**	**30,113**	**26,975**	**38,400**	**100,630**	**95,488**

Source: Condensed Consolidated Interim Financial Statements, Company

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

	2016			2015			
PLN'000	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Non-current assets	**584,694**	**579,574**	**577,028**	**580,645**	**569,155**	**572,263**	**571,429**
Property, plant and equipment	119,554	121,539	122,252	125,229	109,831	112,059	116,559
Intangible assets	262,401	258,057	259,870	261,728	263,693	265,565	262,820
Investment in associates	196,025	191,412	187,221	188,570	190,346	190,057	188,352
Deferred tax assets	1,749	3,041	2,947	-	-	-	-
Available-for-sale financial assets	288	290	285	282	287	204	202
Non-current prepayments	4,677	5,235	4,453	4,836	4,998	4,378	3,496
Current assets	**462,093**	**542,795**	**528,673**	**442,170**	**425,652**	**519,743**	**484,816**
Inventories	67	73	71	135	145	133	180
Corporate income tax receivable	300	234	490	369	213	77	2,808
Trade and other receivables	37,793	40,730	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	423,933	501,758	483,935	360,393	341,284	446,773	378,989
Total assets	**1,046,787**	**1,122,369**	**1,105,701**	**1,022,815**	**994,807**	**1,092,006**	**1,056,245**
Equity	**722,865**	**682,536**	**747,631**	**721,267**	**694,093**	**664,044**	**738,769**
Share capital	63,865	63,865	63,865	63,865	63,865	63,865	63,865
Other reserves	1,537	1,560	1,481	1,455	1,401	1,465	1,817
Retained earnings	656,951	616,614	681,732	655,401	627,886	597,769	671,918
Non-controlling interests	512	497	553	546	941	945	1,169
Non-current liabilities	**137,314**	**137,461**	**134,420**	**258,799**	**256,218**	**255,246**	**253,516**
Liabilities under bond issue	123,733	123,669	123,606	243,800	244,424	244,309	244,193
Employee benefits payable	2,254	4,686	4,400	4,046	2,453	2,327	2,010
Finance lease liabilities	48	58	72	84	99	113	129
Deferred income tax liability	9,055	6,824	6,342	10,869	9,242	8,497	7,184
Other liabilities	2,224	2,224	-	-	-	-	-
Current liabilities	**186,608**	**302,372**	**223,650**	**42,749**	**44,496**	**172,716**	**63,960**
Liabilities under bond issue	123,002	121,047	122,881	682	1,814	-	1,935
Trade payables	2,841	6,288	6,182	8,597	7,879	19,634	9,974
Employee benefits payable	8,872	10,379	7,246	9,457	11,150	9,584	7,632
Finance lease liabilities	61	55	55	55	55	79	186
Corporate income tax payable	11,911	10,920	9,058	2,833	2,463	7,130	2,254
Accruals and deferred income	11,630	31,021	38,966	7,263	10,194	18,054	25,368
Provisions for other liabilities and charges	179	649	649	621	1,236	1,282	1,264
Other current liabilities	28,112	122,013	38,613	13,241	9,705	116,683	15,121
Liabilities held for sale	-	-	-	-	-	270	226
Total equity and liabilities	**1,046,787**	**1,122,369**	**1,105,701**	**1,022,815**	**994,807**	**1,092,006**	**1,056,245**

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 the first nine months of 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 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 TGE and IRGIT 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 TGE 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 IRGIT, which clears and settles exchange transactions concluded on TGE, manages the resources of the clearing guarantee system and determines the amount of credits and debits of IRGIT members resulting from their transactions.

The Group's other revenues include revenues of GPW and the TGE Group, among others, from office space lease and sponsorship. Following the sale of InfoStrefa S.A. (previously: Instytut Rynku Kapitałowego S.A.) to a third party, other revenues decreased starting in Q4 2015.

The **Group's** sales revenues amounted to PLN 229.2 million in the first nine months of 2016, a decrease of 6.1% (PLN 14.9 million) year on year.

The decrease in sales revenues year on year in the first nine months of 2016 was mainly driven by a decrease of revenues from the **financial market** by PLN 16.7 million, especially from trading in equities and equity-related instruments. Revenue from trading in debt instruments also decreased. Listing revenues also decreased by PLN 0.7 million or 3.6%. Revenues from the **commodity market** increased by PLN 2.7 million or 3.0% year on year.

The revenue of the **TGE Group** stood at PLN 93.5 million in the first nine months of 2016 compared to PLN 90.4 million in the first nine months of 2015. The revenue of **BondSpot** stood at PLN 8.2 million and PLN 8.8 million, respectively, in the periods under review.

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

Table 6: Consolidated revenues of GPW Group and revenue structure in the first nine months of 2015 and 2016

PLN'000, %	Nine - month period ended 30 September 2016	%	Nine - month period ended 30 September 2015	%	Change (Q1-Q3 2016 vs Q1-Q3 2015)	Change (%) (Q1-Q3 2016 vs Q1-Q3 2015)
Financial market	**134,222**	**59%**	**150,965**	**62%**	**(16,743)**	**-11.1%**
Trading revenue	85,832	37%	103,735	43%	(17,903)	-17.3%
Equities and equity-related instruments	63,945	28%	82,034	34%	(18,089)	-22.1%
Derivative instruments	9,007	4%	8,599	4%	408	4.7%
Other fees paid by market participants	5,073	2%	4,702	2%	371	7.9%
Debt instruments	7,512	3%	8,109	3%	(597)	-7.4%
Other cash instruments	295	0%	291	0%	4	1.3%
Listing revenue	17,790	8%	18,456	8%	(666)	-3.6%
Listing fees	14,994	7%	14,487	6%	507	3.5%
Introduction fees, other fees	2,796	1%	3,969	2%	(1,173)	-29.6%
Information services	30,600	13%	28,774	12%	1,826	6.3%
Real-time information	28,627	12%	26,989	11%	1,638	6.1%
Indices and historical and statistical information	1,973	1%	1,784	1%	189	10.6%
Commodity market	**93,687**	**41%**	**90,950**	**37%**	**2,737**	**3.0%**
Trading revenue	44,363	19%	44,909	18%	(546)	-1.2%
Electricity	7,656	3%	9,827	4%	(2,171)	-22.1%
Spot	2,154	1%	2,047	1%	107	5.2%
Forward	5,502	2%	7,780	3%	(2,278)	-29.3%
Gas	6,183	3%	6,595	3%	(412)	-6.3%
Spot	1,638	1%	953	0%	685	71.8%
Forward	4,545	2%	5,642	2%	(1,097)	-19.4%
Property rights in certificates of origin	24,012	10%	23,212	10%	800	3.4%
Other fees paid by market participants	6,512	3%	5,275	2%	1,237	23.5%
Register of certificates of origin	21,243	9%	18,648	8%	2,595	13.9%
Clearing	28,081	12%	27,392	11%	689	2.5%
Other revenue *	**1,241**	**1%**	**2,157**	**1%**	**(915)**	**-42.4%**
Total	**229,150**	**100%**	**244,071**	**100%**	**(14,921)**	**-6.1%**

**-other revenue apply to financial market as well as commodity market*

Source: Condensed Consolidated Interim Financial Statements, Company

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

Table 7: Consolidated revenues of GPW Group by geographical segment in the first nine months of 2015 and 2016

PLN'000, %	Nine - month period ended				Change (Q1-Q3 2016 vs Q1-Q3 2015)	Change (%) (Q1-Q3 2016 vs Q1-Q3 2015)
	30 September 2016	%	30 September 2015	%		
Revenue from foreign customers	51,750	23%	53,735	22%	(1,985)	-3.7%
Revenue from local customers	177,400	77%	190,337	78%	(12,936)	-6.8%
Total	**229,150**	**100%**	**244,071**	**100%**	**(14,921)**	**-6.1%**

Source: Condensed Consolidated Interim Financial Statements, Company

FINANCIAL MARKET

TRADING

The revenues of the Group from trading on the financial market stood at PLN 85.8 million in the first nine months of 2016 compared to PLN 103.7 million in the first nine months of 2015.

Equities and equity-related instruments

Revenues from trading in **equities and equity-related instruments** amounted to PLN 63.9 million in the first nine months of 2016 compared to PLN 82.0 million in the first nine months of 2015.

The decrease of revenues from trading in equities was mainly a result of a decrease in the value of trading on the Main Market as well as a reduction of trading fees effective as of 1 January 2016. The value of trading decreased by 16.4% year on year in the first nine months of 2016 (including a decrease of the Electronic Order Book by 13.0% and of block trades by 45.1%). In addition, the share of HVP/HVF Programme participants, who pay lower fees, in the total value of trading in equities increased.

The reduction of trading fees results from changes in the financing system of capital market supervision. As of 1 January 2016, GPW reduced the transaction fees on trading 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

	Nine-month period ended		Change (Q1-Q3 2016 vs Q1-Q3 2015)	Change (%) (Q1-Q3 2016 vs Q1-Q3 2015)
	30 September 2016	30 September 2015		
Financial market, trading revenue: equities and equity-related instruments *(PLN million)*	**63.9**	**82.0**	**(18.0)**	**-22.1%**
Main Market:				
Value of trading (PLN billion)	144.2	172.5	(28.3)	-16.4%
Volume of trading (billions of shares)	10.6	12.5	(1.9)	-15.0%
NewConnect:				
Value of trading (PLN billion)	1.0	1.4	(0.4)	-27.7%
Volume of trading (billions of shares)	2.7	2.7	0.1	2.1%

Source: Condensed Consolidated Interim Financial Statements, Company

Derivatives

Revenues of the Group from transactions in **derivatives** on the financial market amounted to PLN 9.0 million in the first nine months of 2016 compared to PLN 8.6 million in the first nine months of 2015.

Revenues from transactions in derivatives increased by 4.7% year on year in the first nine months of 2016. The total volume of trade in derivatives decreased by 8.1%. The decrease of turnover mainly affected FX futures (down by 52.0%). The volume of trade in WIG20 futures, which account for the majority of revenues from trading in derivatives, increased by 5.9% while the volume of trading in single-stock futures increased by 43.0%.

Table 9: Data for the derivatives market

	Nine-month period ended		Change (Q1-Q3 2016 vs Q1-Q3 2015)	Change (%) (Q1-Q3 2016 vs Q1-Q3 2015)
	30 September 2016	30 September 2015		
Financial market, trading revenue: derivatives *(PLN million)*	**9.0**	**8.6**	**0.4**	**4.7%**
Volume of trading in derivatives (millions of contracts):	5.8	6.3	(0.5)	-8.1%
incl.: Volume of trading in WIG20 futures (millions of contracts)	3.5	3.3	0.1	5.9%

Source: Condensed Consolidated Interim Financial Statements, Company

Other fees paid by market participants

Revenues of the Group from **other fees** paid by market participants stood at PLN 5.1 million in the first nine months of 2016 compared to PLN 4.7 million in the first nine months of 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 7.5 million in the first nine months of 2016 compared to PLN 8.1 million in the first nine months of 2015. The majority of the Group's revenues from the debt instruments segment is generated by Treasury BondSpot Poland (TBSP).

The decrease of the revenues year on year in the first nine months of 2016 was a result of a lower value of trade on TBS Poland, which decreased by 8.4% for cash transactions and by 57.9% for conditional transactions. 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 in the value of trading on TBSP was driven among other things by the reduction of selected items in balance sheets by banks, resulting in less active trading in Treasury bonds (especially in the repo/sell-buy-back segment). There is a higher value of turnover on the conditional transaction market (sell/buy back repo) in Q3 2016 (PLN 58.2 billion), although it's lower than the level recorded in the same period last year (PLN 93.3 billion). It shows that the activity of banks is stabilizing in this segment of the market after a significant decline in the value of turnover in the previous quarters (the value of turnover amounted to PLN 21.0 billion and PLN 33.2 billion respectively, in the first and second quarter) caused by the reduction of balance sheet items in connection with the entry into force of the Act on tax on certain financial institutions.

The value of trading on Catalyst increased by 36.1% year on year in the first nine months of 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

	Nine-month period ended		Change (Q1-Q3 2016 vs Q1-Q3 2015)	Change (%) (Q1-Q3 2016 vs Q1-Q3 2015)
	30 September 2016	30 September 2015		
Financial market, trading revenue: debt instruments *(PLN million)*	**7.5**	**8.1**	**(0.5)**	**-7.4%**
Catalyst:				
Value of trading (PLN billion)	2.4	1.8	0.6	36.1%
incl.: Value of trading in non-Treasury instruments (PLN billion)	1.7	1.4	0.4	26.4%
Treasury BondSpot Poland, value of trading:				
Conditional transactions (PLN billion)	112.5	267.4	(154.9)	-57.9%
Cash transactions (PLN billion)	185.2	202.2	(16.9)	-8.4%

Source: Condensed Consolidated Interim Financial Statements, Company

Other cash market instruments

Revenues from transactions in **other cash market instruments** were stable and amounted to PLN 0.3 million in the first nine months of 2016. 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 17.8 million in the first nine months of 2016 compared to PLN 18.5 million in the first nine months of 2015.

Revenues from **listing fees** amounted to PLN 15.0 million in the first nine months of 2016 compared to PLN 14.5 million in the first nine months of 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 as at the end of 2015 did not result in a decrease of listing fees in view of changes in the structure of capitalisation of companies and the structure of fees (the annual listing fee is capped at PLN 70 thousand).

Revenues from **fees for introduction and other fees** amounted to PLN 2.8 million in the first nine months of 2016 compared to PLN 4.0 million in the first nine months of 2015. The revenues are driven mainly by the number and value of new listings of shares and bonds on the GPW markets.

The listing revenue on the GPW Main Market decreased by 3.6% year on year in the first nine months of 2016. The table below presents the key financial and operating figures.

Table 11: Data for the GPW Main Market

	Nine-month period ended		Change (Q1-Q3 2016 vs Q1-Q3 2015)	Change (%) (Q1-Q3 2016 vs Q1-Q3 2015)
	30 September 2016	30 September 2015		
Main Market				
Listing revenue (PLN million)	**14.6**	**15.1**	**(0.6)**	**-3.8%**
Total capitalisation of listed companies *(PLN billion)*	948.6	1,124.5	(175.9)	-15.6%
including: Capitalisation of listed domestic companies	515.7	556.1	(40.4)	-7.3%
including: Capitalisation of listed foreign companies	432.9	568.4	(135.5)	-23.8%
Total number of listed companies	484	476	8	1.7%
including: Number of listed domestic companies	431	424	7	1.7%
including: Number of listed foreign companies	53	52	1	1.9%
Value of offerings *(IPO and SPO) (PLN billion)* *	3.8	43.1	(39.3)	-91.2%
Number of new listings *(in the period)*	13	15	(2)	-13.3%
Capitalisation of new listings *(PLN billion)*	3.5	3.4	0.1	3.3%
Number of delistings	17	10	7	70.0%
Capitalisation of delistings** (PLN billion)	5.6	4.3	1.3	29.0%

** 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 decreased by 5.9% year on year in the first nine months of 2016. The table below presents the key financial and operating figures.

Table 12: Data for NewConnect

	Nine-month period ended		Change (Q1-Q3 2016 vs Q1-Q3 2015)	Change (%) (Q1-Q3 2016 vs Q1-Q3 2015)
	30 September 2016	30 September 2015		
NewConnect				
Listing revenue *(PLN million)*	**1.7**	**1.8**	**(0.1)**	**-5.9%**
Total capitalisation of listed companies *(PLN billion)*	9.0	9.1	(0.1)	-1.0%
including: Capitalisation of listed domestic companies	8.7	8.7	0.0	0.1%
including: Capitalisation of listed foreign companies	0.2	0.3	(0.1)	-28.3%
Total number of listed companies	408	431	(23)	-5.3%
including: Number of listed domestic companies	399	421	(22)	-5.2%
including: Number of listed foreign companies	9	10	(1)	-10.0%
Value of offerings *(IPO and SPO) (PLN billion)*	0.1	0.4	-0.2	-57.3%
Number of new listings *(in the period)*	12	17	(5)	-29.4%
Capitalisation of new listings *(PLN billion)*	0.4	0.5	(0.1)	-15.9%
Number of delistings*	22	17	5	29.4%
Capitalisation of delistings** (PLN billion)	1.3	0.8	0.5	62.0%

** includes companies which transferred to the Main Market*

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

Source: Company

Listing revenues from Catalyst stood at PLN 1.5 million in the first nine months of 2016 and were stable year on year. The table below presents the key financial and operating figures.

Table 13: Data for Catalyst

	Nine-month period ended		Change (Q1-Q3 2016 vs Q1-Q3 2015)	Change (%) (Q1-Q3 2016 vs Q1-Q3 2015)
	30 September 2016	30 September 2015		
Catalyst				
Listing revenue *(PLN million)*	**1.5**	**1.5**	**0.0**	**0.7%**
Number of issuers	181	195	(14)	-7.2%
Number of issued instruments	549	537	12	2.2%
including: non-Treasury instruments	512	502	10	2.0%
Value of issued instruments *(PLN billion)*	688.8	617.7	71.1	11.5%
including: non-Treasury instruments	78.7	70.6	8.1	11.4%

Source: Company

INFORMATION SERVICES

Revenues from **information services** amounted to PLN 30.6 million in the first nine months of 2016 compared to PLN 28.8 million in the first nine months of 2015. The increase in revenues was driven by an increase of the monthly subscription fee for the top 5 bids/asks paid by institutional subscribers other than exchange members, as well as an increase of the number of agreements with clients who use GPW data in automatic trading and other applications.

Table 14: Data for information services

	Nine-month period ended		Change (Q1-Q3 2016 vs Q1-Q3 2015)	Change (%) (Q1-Q3 2016 vs Q1-Q3 2015)
	30 September 2016	30 September 2015		
Revenues from information services *(PLN million)*	**30.6**	**28.8**	**1.8**	**6.3%**
Number of data vendors	52	56	(4)	-7.1%
Number of subscribers ('000 subscribers)	220.3	223.1	(2.8)	-1.3%

Source: Condensed Consolidated Interim Financial Statements, Company

COMMODITY MARKET

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

Revenues of the TGE 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 IRGIT.

Revenues of the GPW Group on the commodity market stood at PLN 93.7 million in the first nine months of 2016 compared to PLN 90.9 million in the first nine months of 2015.

The increase of revenues on the commodity market year on year in the first nine months of 2016 was mainly driven by an increase in revenues from the operation of the register of certificates of origin, other fees paid by market participants, and clearing. On the other hand, revenues from transactions in electricity decreased, reducing the trading revenue.

TRADING

Trading revenues of the GPW Group on the commodity market amounted to PLN 44.4 million in the first nine months of 2016, including PLN 2.2 million of revenues from spot transactions in electricity, PLN 5.5 million of revenues from forward transactions in electricity, PLN 1.6 million of revenues from spot transactions in gas, PLN 4.5 million of revenues from forward transactions in gas, PLN 24.0 million of revenues from transactions in property rights in certificates of origin of electricity, and PLN 6.5 million of other fees paid by market participants. The trading revenue decreased by PLN 0.5 million year on year in the first nine months of 2016.

The Group's revenues from **trading in electricity** amounted to PLN 7.7 million in the first nine months of 2016 compared to PLN 9.8 million in the first nine months of 2015. The total volume of trading on the energy markets operated by TGE amounted to 96.0 TWh in the first nine months of 2016 compared to 127.8 TWh in the first nine months of 2015.

The decrease in revenues from trading in electricity year on year in the first nine months of 2016 was due to a lower volume of forward transactions. The volume of forward transactions decreased by 30.9% while the volume of spot transactions increased by 11.3%.

The Group's revenues from **trading in gas** amounted to PLN 6.2 million in the first nine months of 2016 compared to PLN 6.6 million in the first nine months of 2015. The volume of trade in natural gas on TGE was 77.1 TWh in the first nine months of 2016 compared to 86.4 TWh in the first nine months of 2015.

The Group's revenue from **trading in property rights** stood at PLN 24.0 million in the first nine months of 2016 compared to PLN 23.2 million in the first nine months of 2015. The volume of trading in property rights stood at 40.4 TWh in the first nine months of 2016 compared to 46.1 TWh in the first nine months of 2015. At the same time a significant increase in trading of the energy efficiency certificates has taken place in the first nine months of 2016., which have a much higher transaction fees than other property rights. This has resulted in the revenue growth during this period under review.

Revenues of the Group from **other fees paid by commodity market participants** amounted to PLN 6.5 million in the first nine months of 2016 compared to PLN 5.3 million in the first nine months of 2015. Other fees paid by commodity market participants included fees paid by TGE market participants and revenues of InfoEngine from the activity of trading 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 trade reporting 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 IRGIT 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

	Nine-month period ended		Change (Q1-Q3 2016 vs Q1-Q3 2015)	Change (%) (Q1-Q3 2016 vs Q1-Q3 2015)
	30 September 2016	30 September 2015		
Commodity market - trading revenue (PLN million)	**44.4**	**44.9**	**(0.5)**	**-1.2%**
Volume of trading in electricity				
Spot transactions *(TWh)*	20.3	18.3	2.1	11.3%
Forward transactions *(TWh)*	75.7	109.5	(33.8)	-30.9%
Volume of trading in gas				
Spot transactions *(TWh)*	15.2	8.2	7.0	84.4%
Forward transactions *(TWh)*	61.9	78.2	(16.3)	-20.9%
Volume of trading in property rights (TGE) (TWh)	40.4	46.1	-5.7	-12.3%

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 21.2 million in the first nine months of 2016 compared to PLN 18.6 million in the first nine months of 2015. The increase in the revenues year on year in the first nine months of 2016 was mainly due to high revenues from the cancellation of property rights, especially green certificates of origin.

Table 16: Data for the Register of Certificates of Origin

	Nine-month period ended		Change (Q1-Q3 2016 vs Q1-Q3 2015)	Change (%) (Q1-Q3 2016 vs Q1-Q3 2015)
	30 September 2016	30 September 2015		
Commodity market - revenue from operation of the Register of Certificates of Origin of electricity (PLN million)	**21.2**	**18.6**	**2.6**	**13.9%**
Issued property rights *(TWh)*	22.5	23.8	-1.3	-5.5%
Cancelled property rights *(TWh)*	43.0	22.3	20.7	92.4%

Source: Condensed Consolidated Interim Financial Statements, Company

CLEARING

The Group earns revenue from the **clearing activities** of IRGIT, which is a subsidiary of TGE. The revenue stood at PLN 28.1 million in the first nine months of 2016 compared to PLN 27.4 million in the first nine months of 2015.

OTHER REVENUES

The Group's other revenues amounted to PLN 1.2 million in the first nine months of 2016 compared to PLN 2.2 million in the first nine months of 2015. The Group's other revenues include mainly revenues from office space lease and sponsorship.

The decrease of other revenues in the first nine months of 2016 was mainly driven by higher revenues from office space lease and sponsorship generated in 2015.

OPERATING EXPENSES

Total operating expenses of the **GPW Group** amounted to PLN 112.4 million in the first nine months of 2016, representing a decrease of PLN 16.1 million (12.5%) year on year.

Separate operating expenses of **GPW** stood at PLN 73.5 million in the first nine months of 2016, representing a decrease of PLN 17.1 million (18.9%) year on year. The decrease of the operating expenses in the first nine months of 2016 was mainly driven by a reduction of the fee paid to PFSA.

Operating expenses of the **TGE Group** stood at PLN 30.8 million in the first nine months of 2016 compared to PLN 28.5 million in the first nine months of 2015 and increased largely due to changes in the system of fees due to PFSA. Operating expenses of **BondSpot** stood at PLN 7.3 million and PLN 7.2 million, respectively, in the periods under review.

Table 17: Consolidated operating expenses of GPW Group and structure of operating expenses in the first nine months of 2015 and 2016

PLN'000, %	Nine - month period ended				Change (Q1-Q3 2016 vs Q1-Q3 2015)	Change (%) (Q1-Q3 2016 vs Q1-Q3 2015)
	30 September 2016	%	30 September 2015	%		
Depreciation and amortisation	19,708	18%	19,824	15%	(116)	-0.6%
Salaries	38,025	34%	41,110	32%	(3,085)	-7.5%
Other employee costs	8,530	8%	8,750	7%	(220)	-2.5%
Rent and other maintenance fees	6,895	7%	7,527	6%	(633)	-8.4%
Fees and charges	10,020	9%	18,616	14%	(8,596)	-46.2%
including: PFSA fees	*9,076*	*8%*	*17,443*	*14%*	*(8,367)*	*-48.0%*
External service charges	25,409	23%	28,227	22%	(2,818)	-10.0%
Other operating expenses	3,832	4%	4,427	3%	(595)	-13.4%
Total	**112,419**	**100%**	**128,482**	**100%**	**(16,063)**	**-12.5%**

Source: Condensed Consolidated Interim Financial Statements, Company

The decrease of consolidated expenses year on year in the first nine months of 2016 was mainly driven by lower operating expenses of all categories. *Fees and charges* decreased the most due to lower market supervision fees paid to PFSA. The second largest decrease by value was reported for *Salaries* and the third for *External service charges*.

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

PLN'000, %	Nine - month period ended				Change (Q1-Q3 2016 vs Q1-Q3 2015)	Change (%) (Q1-Q3 2016 vs Q1-Q3 2015)
	30 September 2016	%	30 September 2015	%		
Depreciation and amortisation	15,139	21%	16,215	18%	(1,076)	-6.6%
Salaries	21,794	30%	21,869	24%	(75)	-0.3%
Other employee costs	5,576	8%	5,857	6%	(281)	-4.8%
Rent and other maintenance fees	4,596	6%	5,485	6%	(889)	-16.2%
Fees and charges	6,030	8%	17,351	19%	(11,321)	-65.2%
including: PFSA fees	*5,441*	*7%*	*16,816*	*19%*	*(11,375)*	*-67.6%*
External service charges	17,548	24%	20,766	23%	(3,219)	-15.5%
Other operating expenses	2,775	4%	3,061	3%	(286)	-9.3%
Total	**73,458**	**100%**	**90,606**	**100%**	**(17,147)**	**-18.9%**

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 19.7 million in the first nine months of 2016 compared to PLN 19.8 million in the first nine months of 2015. The decrease in depreciation and amortisation charges year on year in the first nine months of 2016 resulted from a decrease of depreciation and amortisation charges in GPW by PLN 1.1 million, an increase of depreciation and amortisation charges in TGE by PLN 0.8 million, as well as an increase of depreciation and amortisation charges in BondSpot by PLN 0.2 million.

Salaries and other employee costs

Salaries and other employee costs amounted to PLN 46.6 million in the first nine months of 2016 compared to PLN 49.9 million in the first nine months of 2015.

The lower employee costs of the GPW Group in the current period comparing to the same period of 2015 are the result of lower costs in the TGE Group by PLN 1.6 million, in GPW by PLN 0.4 million, in BondSpot by PLN 0.4 million, and the fact that the employee cost in 2015 included the cost of the company InfoStrefa SA (formerly Instytut Rynku Kapitałowego WSE Research S.A) amounted to PLN 0.6 million. Lower costs in the TGE are mainly the result of the release of provisions for the 2015 awards, the correction of the provision for 2016 by PLN 1.1 million and lower gross salaries by PLN 0.5 million compared to the same period last year. In BondSpot lower salaries are the result of the release of provisions for 2015 awards. In the GPW lower employee costs is an aggregated result of lower employee costs in 2015 by PLN 3.3 million resulting from the changes of the jubilee and the retirement and pension system, and a decrease in employee costs in 2016 which is the result of the release of provisions for 2015 awards amounted to PLN 2.6 million, and lower cost of gross salaries amounted to PLN 0.9 million.

The headcount of the Group was 334 FTEs as at 30 September 2016.

Table 19: Employment in GPW Group

# FTEs	As at		
	30 September 2016	31 December 2015	30 September 2015
GPW	183	201	197
Subsidiaries	151	150	146
Total	**334**	**351**	**343**

Source: Company

Rent and other maintenance fees

Rent and other maintenance fees amounted to PLN 6.9 million in the first nine months of 2016 compared to PLN 7.5 million in the first nine months of 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 10.0 million in the first nine months of 2016 compared to PLN 18.6 million in the first nine months of 2015. The main component of fees and charges are capital market supervision fees paid to the Polish Financial Supervision Authority (PFSA) (PLN 9.1 million in the current period). Following a change of the system of financing of the cost of market supervision and a change of the scope of entities contributing towards the financing as of the beginning of 2016, the entire annual fee due to PFSA is recognised in the first nine months of 2016. The amount of the fee in 2016 as compared to 2015 is driven by a decrease of the fees due to PFSA paid by GPW by PLN 11.3 million, an increase of the fees due to PFSA paid by the TGE Group by PLN 2.9 million, and an increase of the fees due to PFSA paid by BondSpot by PLN 0.1 million. It should be noted that the entire annual cost of supervision fees was recognised in the first nine months of 2016 while only the cost attributable to the first nine months of 2015 was recognised in 2015. After the next quarter, the difference of the fees due to the supervision authority will be even bigger in favour of the GPW Group.

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 GPW has been reduced significantly in 2016 compared to PLN 22.0 million in 2015 (approximately by half for the GPW Group compared to 2015). At the same time, as of 1 January 2016, GPW reduced the transaction fees on trading 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. 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 the first nine months of 2016 include the entire fee at PLN 9.1 million. However, the GPW Group's operating expenses in Q4 2016 will not include the annual fee due to PFSA. 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 rates 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. The fee due to PFSA had been calculated this year before September on the basis of the published indicators necessary to calculate the fee: it is PLN 9.1 million for the Group.

External service charges

External service charges amounted to PLN 25.4 million in the first nine months of 2016 compared to PLN 28.2 million in the first nine months of 2015 (a decrease of 10.0% ie. PLN 2.8 million).

Table 20: Consolidated external service charges of GPW Group and structure of external service charges in the first nine months of 2015 and 2016

PLN'000, %	Nine - month period ended				Change (Q1-Q3 2016 vs Q1-Q3 2015)	Change (%) (Q1-Q3 2016 vs Q1-Q3 2015)
	30 September 2016	%	30 September 2015	%		
IT cost:	15,568	61%	14,278	51%	1,290	9.0%
IT infrastructure maintenance	*9,830*	*39%*	*8,764*	*31%*	*1,066*	*12.2%*
TBSP maintenance service	*1,135*	*4%*	*883*	*3%*	*252*	*28.6%*
Data transmission lines	*4,464*	*18%*	*4,318*	*15%*	*146*	*3.4%*
Software modification	*139*	*1%*	*314*	*1%*	*(175)*	*-55.7%*
Office and office equipment maintenance:	1,994	8%	1,993	7%	1	0.0%
Repair and maintenance of installations	*637*	*3%*	*643*	*2%*	*(6)*	*-1.0%*
Security	*662*	*3%*	*610*	*2%*	*52*	*8.6%*
Cleaning	*372*	*1%*	*365*	*1%*	*7*	*1.9%*
Phone and mobile phone services	*323*	*1%*	*375*	*1%*	*(52)*	*-13.9%*
Leasing, rental and maintenance of vehicles	365	1%	289	1%	76	26.4%
Transportation services	121	0%	87	0%	34	39.3%
Promotion, education, market development	2,865	11%	4,455	16%	(1,590)	-35.7%
Market liquidity support	354	1%	682	2%	(328)	-48.1%
Advisory (including: audit, legal services, business consulting)	2,329	9%	3,985	14%	(1,656)	-41.6%
Information services	585	2%	624	2%	(39)	-6.3%
Training	307	1%	539	2%	(232)	-43.0%
Mail fees	59	0%	63	0%	(4)	-6.1%
Bank fees	109	0%	88	0%	21	23.2%
Translation	179	1%	199	1%	(20)	-9.8%
Other	574	2%	946	3%	(371)	-39.3%
Total	**25,409**	**100%**	**28,227**	**100%**	**(2,818)**	**-10.0%**

Source: Condensed Consolidated Interim Financial Statements

The decrease of external service charges year on year was mainly driven by GPW (a decrease of PLN 3.2 million). The decrease of GPW's expenses was due to a decrease by PLN 0.8 million in the cost of IT infrastructure maintenance, a decrease by PLN 0.8 million in the cost of advisory services, a decrease by PLN 1.0 million in the cost of promotion related to GPW's development and image projects, a decrease by PLN 0.3 million in the cost of supporting market liquidity, and a decrease by PLN 0.3 million each in the cost of training. There has been an increase of the cost of external services in the TGE Group by PLN 0.3 million and BondSpot by PLN 0.5 million. This year, there is no longer external services cost incurred in the company IRK (PLN 0.3 million) in the comparable period in 2015.

Other operating expenses

Other operating expenses amounted to PLN 3.8 million in the first nine months of 2016 compared to PLN 4.4 million in the first nine months of 2015. The expenses in the first nine months of 2016 included mainly the cost of material and energy consumption at PLN 2.3 million, industry organisation membership fees of PLN 0.4 million, non-life insurance at PLN 0.2 million, business travel at PLN 0.6 million.

The decrease of expenses in the first nine months of 2016 was mainly due to a reduction by PLN 0.4 million in costs of business travel, by PLN 0.2 million in conference participation costs, and by PLN 0.1 million each in costs of membership fees and non-life insurance.

OTHER INCOME AND EXPENSES

Other income of the Group stood at PLN 0.4 million in the first nine months of 2016 compared to PLN 1.1 million in the first nine months of 2015. Other income includes damages received, gains on the sale of property, plant and equipment, reversal of impairment write-downs of receivables.

Other expenses of the Group stood at PLN 1.0 million in the first nine months of 2016 compared to PLN 2.1 million in the first nine months of 2015. Other expenses include donations paid, losses on the sale of property, plant and equipment, impairment write-downs of receivables, and provisions against damages. The cost of donations decreased year on year in 2016.

FINANCIAL INCOME AND EXPENSES

Financial income of the Group stood at PLN 10.6 million in the first nine months of 2016 compared to PLN 8.1 million in the first nine months of 2015. Financial income includes mainly interest on bank deposits, positive FX differences, and the revaluation of shares of the associate Aquis (PLN 5.4 million) resulting from a capital increase.

Financial expenses of the Group stood at PLN 6.2 million in the first nine months of 2016 compared to PLN 6.6 million in the first nine months of 2015. Financial expenses include mainly interest on the issued bonds.

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. The bonds have been introduced 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 outstanding bonds is the main contributor to the financial expenses of the Company. The interest rate on the series A and B bonds is 2.96% p.a. in H2 2016, the same as 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 PLN 2.3 million in the first nine months of 2016 compared to PLN 0.2 million in the first nine months of 2015.

The Group's share of the **KDPW Group** profit was PLN 5.6 million in the first nine months of 2016 compared to PLN 4.6 million in the first nine months of 2015.

The share in the net profit of **Centrum Giełdowe** was PLN 0.3 million in the first nine months of 2016 compared to PLN 0.5 million in the first nine months of 2015. The volatility of the profit of Centrum Giełdowe 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 3.6 million in the first nine months of 2016 compared to PLN 4.9 million in the first nine months of 2015.

Following a new share issue without the participation of GPW, GPW's share in Aquis measured by the number of shares decreased from 31.01% as at 31 December 2015 to 23.60% as at 30 September 2016. GPW's share in economic and voting rights decreased from 26.33% to 20.79%.

Table 21: Profit / (Loss) of associates

	Nine-month period ended		Change (Q1-Q3 2016 vs Q1-Q3 2015)	Change (%) (Q1-Q3 2016 vs Q1-Q3 2015)
PLN'000	30 September 2016	30 September 2015		
KDPW S.A. Group	17,479	13,925	3,554	25.5%
Centrum Giełdowe S.A.	1,107	1,866	(760)	-40.7%
Aquis Exchange Ltd	(14,638)	(17,226)	2,588	-15.0%
Total	**3,948**	**(1,435)**	**5,383**	**-375.1%**

Source: Company

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

	Nine-month period ended		Change (Q1-Q3 2016 vs Q1-Q3 2015)	Change (%) (Q1-Q3 2016 vs Q1-Q3 2015)
PLN'000	30 September 2016	30 September 2015		
KDPW S.A. Group	5,581	4,642	939	20.2%
Centrum Giełdowe S.A.	274	463	(188)	-40.7%
Aquis Exchange Ltd	(3,573)	(4,918)	1,345	-27.4%
Total	**2,282**	**187**	**2,095**	**1121.3%**

Source: Company

INCOME TAX

Income tax of the Group was PLN 22.3 million in the first nine months of 2016 compared to PLN 20.7 million in the first nine months of 2015. The **effective income tax rate** in the periods under review was 18.2% and 17.8%, respectively, as compared to the standard Polish corporate income tax rate of 19%.

Income tax **paid** by the Group was PLN 16.8 million in the first nine months of 2016 compared to PLN 11.4 million in the first nine months of 2015.

V. Atypical factors and events

CHANGE OF THE SYSTEM OF FINANCING 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 GPW has been reduced significantly in 2016 compared to PLN 22.0 million 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. At the same time, 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. The reduction of the fees paid to PFSA (approximately by half for 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, an entity recognises a liability for fees due to PFSA at the date of the obligating event. The obligating event is the fact of carrying out a business subject to fees due to PFSA as at 1 January of each year. Consequently, the estimated amount of the annual fees due to PFSA will be charged to the accounts of the GPW Group of the first quarter of each year.

The Chairperson of the Polish Financial Supervision Authority publishes the rates 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.

Following these changes related to the supervision fee due to PFSA, the GPW Group recognised the estimated amount of the fee as a provision at PLN 11.2 million in Q1 2016. When the fees and the indicators necessary to calculate the fees were published, the final annual amount of the supervision fee due to PFSA was calculated and booked in September at PLN 9.1 million for the Group. No supervision fee due to PFSA will be recognised in Q4 2016; however, the fee will be presented in the 4Q 2015 results as it was charged at 1/12 each month. The same concerns the associate KDPW, impacting the GPW Group's share of associates. KDPW's results for the nine months of 2016 also include the entire fee due to PFSA in 2016 at PLN 7.3 million (final amount, paid).

VI. Group's assets and liabilities structure

The **balance-sheet total** of the Group was PLN 1,046.8 million as at the end of Q3 2016, which was stable compared to PLN 994.8 million as at the end of Q3 2015.

ASSETS

The Group's **non-current assets** stood at PLN 584.7 million representing 55% of total assets as at 30 September 2016 compared to PLN 580.6 million or 57% of total assets as at 31 December 2015 and PLN 569.2 million or 57% of total assets as at 30 September 2015. The Group's property, plant and equipment increased modestly after the end of 2015 as a result of higher investments in associates.

The Group's **current assets** stood at PLN 462.1 million representing 45% of total assets as at the end Q3 2016 compared to PLN 442.2 million or 43% of total assets as at the end of 2015 and PLN 425.7 million or 43% of total assets as at the end of Q3 2015. The change in current assets after the end of 2015 was driven among others by the following factors:

- an increase of the TGE Group's cash by PLN 40.9 million, largely driven by a decrease of trade receivables and partly by generated cash flows from operating activities;
- an increase of GPW's cash by PLN 23.5 million generated from operating activities (while trade receivables were stable).

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

	As at					
PLN'000	30 September 2016	%	31 December 2015	%	30 September 2015	%
Non-current assets	**584,694**	**55%**	**580,645**	**57%**	**569,155**	**57%**
Property, plant and equipment	119,554	11%	125,229	12%	109,831	11%
Intangible assets	262,401	25%	261,728	26%	263,693	27%
Investment in associates	196,025	19%	188,570	18%	190,346	19%
Deferred tax assets	1,749	0%	-	-	-	0%
Available-for-sale financial assets	288	0%	282	0%	287	0%
Non-current prepayments	4,677	0%	4,836	0%	4,998	1%
Current assets	**462,093**	**45%**	**442,170**	**43%**	**425,652**	**43%**
Inventory	67	0%	135	0%	145	0%
Corporate income tax receivables	300	0%	369	0%	213	0%
Trade and other receivables	37,793	4%	81,273	8%	73,394	7%
Available-for-sale financial assets	-	0%	-	0%	10,616	1%
Cash and cash equivalents	423,933	40%	360,393	35%	341,284	34%
Total assets	**1,046,787**	**100%**	**1,022,815**	**100%**	**994,807**	**100%**

Source: Condensed Consolidated Interim Financial Statements

EQUITY AND LIABILITIES

The **equity** of the Group stood at PLN 722.9 million representing 69% of the Group's total equity and liabilities as at the end of Q3 2016 compared to PLN 721.3 million or 71% of total equity and liabilities as at the end of 2015 and PLN 694.1 million or 70% of total equity and liabilities as at the end of Q3 2015.

Non-current liabilities of the Group stood at PLN 137.3 million representing 13% of the Group's total equity and liabilities as at the end of Q3 2016 compared to PLN 258.8 million or 25% of total equity and liabilities as at the end of Q4 2015 and PLN 256.2 million or 26% of total equity and liabilities as at the end of Q3 2015. Non-current liabilities of the Group include mainly liabilities of GPW under issued bonds. The decrease in non-current liabilities after the end of 2015 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 186,6 million representing 18% of the Group's total equity and liabilities as at the end of Q3 2016 compared to PLN 42.7 million or 4% of total equity and liabilities as at the end of 2015 and PLN 44.5 million or 4% of total equity and liabilities as at the end of Q3 2015. The liability under the bond issue increased after the end of 2015 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 TGE Group's other current VAT liabilities increased due to the profile of its transactions. The increase of accruals and deferred income was driven by annual fees paid by issuers, which are booked in the first quarter of the year and recognised over time. The increase of liabilities from income tax on 30.09.2016 is associated with the GPW simplified method of monthly advance income tax payments, ie. in the amount of 1/12 of the tax due for 2014. However, in 2015 the GPW did not use the simplified method and paid in the advance income tax based on the actual taxable income for the current period in the form of advances, while the income tax due is higher. Furthermore, tax amortisation in GPW was higher than the balance-sheet amortisation in 2015.

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

PLN'000	As at					
	30 September 2016	%	31 December 2015	%	30 September 2015	%
Equity	**722,865**	**69%**	**721,267**	**71%**	**694,093**	**70%**
Share capital	63,865	6%	63,865	6%	63,865	6%
Other reserves	1,537	0%	1,455	0%	1,401	0%
Retained earnings	656,951	63%	655,401	64%	627,886	63%
Non-controlling interests	512	0%	546	0%	941	0%
Non-current liabilities	**137,314**	**13%**	**258,799**	**25%**	**256,218**	**26%**
Liabilities under bond issue	123,733	12%	243,800	24%	244,424	25%
Employee benefits payable	2,254	0%	4,046	0%	2,453	0%
Finance lease liabilities	48	0%	84	0%	99	0%
Deferred income tax liability	9,055	1%	10,869	1%	9,242	1%
Other liabilities	2,224	0%	-	-	-	-
Current liabilities	**186,608**	**18%**	**42,749**	**4%**	**44,496**	**4%**
Liabilities under bond issue	123,002	12%	682	0%	1,814	0%
Trade payables	2,841	0%	8,597	1%	7,879	1%
Employee benefits payable	8,872	1%	9,457	1%	11,150	1%
Finance lease liabilities	61	0%	55	0%	55	0%
Deferred income tax liability	11,911	1%	2,833	0%	2,463	0%
Accruals and deferred income	11,630	1%	7,263	1%	10,194	1%
Provisions for other liabilities and charges	179	0%	621	0%	1,236	0%
Other current liabilities	28,112	3%	13,241	1%	9,705	1%
Total equity and liabilities	**1,046,787**	**100%**	**1,022,815**	**100%**	**994,807**	**100%**

Source: Condensed Consolidated Interim Financial Statements

CASH FLOWS

The Group generated positive cash flows from **operating activities** at PLN 169,0 million in the first nine months of 2016 compared to positive cash flows of PLN 61.4 million in the first nine months of 2015. The higher cash flows from operating activities year on year in the first nine months of 2016 were mainly driven by a positive change in current assets and liabilities including a decrease in trade receivables of TGE.

The cash flows from **investing activities** were negative at PLN 2,9 million in the first nine months of 2016 compared to negative cash flows at PLN 4.5 million in the first nine months of 2015.

The cash flows from **financing activities** were negative at PLN 102.9 million in the first nine months of 2016 compared to negative cash flows in the amount of PLN 104.8 million in the first nine months of 2015. The negative cash flows mainly related to dividend paid and interest paid on issued bonds.

Table 25: Consolidated cash flows

PLN'000	Cash flows for the nine-month period ended 30 September 2016	2015
Cash flows from operating activities	169,036	61,367
Cash flows from investing activities	(2,868)	(4,484)
Cash flows from financing activities	(102,934)	(104,840)
Net increase / (decrease) in cash	**63,234**	**(47,958)**
Impact of change of fx rates on cash balances in foreign currencies	*306*	*200*
Cash and cash equivalents - opening balance	**360,393**	**389,042**
Cash and cash equivalents - closing balance	**423,933**	**341,284**

Source: Condensed Consolidated Interim Financial Statements

CAPITAL EXPENDITURE

The Group's total capital expenditure in the first nine months of 2016 amounted to PLN 8.2 million including expenditure for property, plant and equipment at PLN 5.9 million and expenditure for intangible assets at PLN 2.3 million. By comparison, the Group's total capital expenditure in the first nine months of 2015 amounted to PLN 10.6 million including expenditure for property, plant and equipment at PLN 6.4 million and expenditure for intangible assets at PLN 4.2 million.

The value of contracted investment commitments for property, plant and equipment was PLN 811 thousand as at 30 September 2016, mainly for refurbishment of GPW premises.

The value of contracted investment commitments for intangible assets was PLN 499 thousand as at 30 September 2016, mainly including the following:

- electronic document flow,
- implementation of the financial and accounting system AX 2012 with new modules: consolidation and budgeting in GPW.

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 the periods 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 year on year at the end of Q3 2016 due to an increase in equity. The Group did not raise additional borrowed capital in the first nine months of 2016.

LIQUIDITY RATIOS

The current liquidity ratio was 2.5 as at the end of Q3 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 increased year on year at the end of Q3 2016 due to the Group's higher 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 increased year on year at the end of Q3 2016 due to an increase in profits despite a decrease in sales revenue. The higher level of return on assets (ROA) year on year at the end of Q3 2016 was due to a higher net profit of the Group in the last 12 months.

Table 26: Key financial indicators of GPW Group

		As at / For the nine-month period ended	
		30 September 2016	30 September 2015
Debt and financing ratios			
Net debt / EBITDA	1), 2)	(1.3)	(0.8)
Debt to equity	3)	34.1%	35.5%
Liquidity ratios			
Current liquidity	4)	2.5	9.6
Coverage of interest on bonds	5)	24.0	23.4
Return ratios			
EBITDA margin	6)	59.3%	55.1%
Operating profit margin	7)	50.7%	46.9%
Net profit margin	8)	43.9%	39.1%
Cost / income	9)	49.1%	52.6%
ROE	10)	18.2%	17.5%
ROA	11)	12.6%	12.1%

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 9 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 9 months)

6) EBITDA margin = EBITDA / GPW Group revenue (for a period of 9 months)

7) Operating profit margin = GPW Group operating profit / GPW Group revenue (for a period of 9 months)

8) Net profit margin = GPW Group net profit / GPW Group revenue (for a period of 9 months)

9) Cost / income = GPW Group operating expenses / GPW Group revenue (for a period of 9 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 TGE is subject to some seasonality. The volume of trade in property rights on the property rights market operated by TGE 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 could 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 Derivatives Market operated by TGE 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 GPW Group had no contingent liabilities or contingent assets as at 30 September 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 the first nine months of 2016, GPW and the associates of GPW did not make any other significant transactions on terms other than at arm's length.

On 25 May 2016, the Ordinary General Meeting of BondSpot S.A. resolved to allocate PLN 2 million from the 2015 net profit for the payment of dividend to the shareholders. The dividend due to GPW according to the number of shares held at the date of the resolution was PLN 1,940.0 thousand. The dividend payment date was 19 July 2016.

On 22 June 2016, the Ordinary General Meeting of Centrum Giełdowe S.A. resolved to allocate PLN 606 thousand from the 2015 net profit for the payment of dividend to the shareholders. The dividend due to GPW was PLN 150 thousand. The dividend payment date was 30 June 2016.

On 10 June 2016, GPW and the other shareholders of Aquis Exchange signed an agreement concerning shares of Aquis Exchange Limited. Under the annex to the shareholders' agreement, GPW agreed to conditionally sell the entire package of Aquis shares held at GBP 37 per share. The call option may be exercised by Aquis shareholders upon a negative decision of GPW concerning an initial public offering (IPO) or a negative decision of GPW concerning potential restructuring of Aquis Exchange necessary to complete an IPO. The call option is valid until the end of November 2017 and then expires.

In H1 2016, Aquis Exchange Limited issued shares at GBP 18.50 per share, which is more than the price paid by GPW (GBP 13.02 per share). Following the share issue without the participation of GPW, GPW's share in Aquis measured by the number of shares decreased from 31.01% as at 31 December 2015 to 26.89% as at 30 June 2016. GPW's share in economic and voting rights decreased from 26.33% to 23.30%. In Q3 2016, Aquis completed three further share issues, each case at GBP 18.50 per share; as a result, GPW's share measured by the number of shares decreased to 23.60% while GPW's share in economic and voting rights decreased to 20.79%.

In May 2016, TGE granted a short-term loan of PLN 300 thousand to the subsidiary InfoEngine S.A. The purpose of the loan was to finance current activities of the company. The interest rate on the loan was 2.00% p.a. The loan was granted for a period ending on 31 March 2017.

DIVIDEND

On 22 June 2016, the Ordinary General Meeting of GPW resolved to pay out a dividend of PLN 99,054 thousand, including PLN 96,536 thousand to be paid from the profit of 2015 and the remainder, i.e. PLN 2,518 thousand, to be paid from reserves. The dividend per share was PLN 2.36. The dividend record date was 20 July 2016 and the dividend payment date was 4 August 2016.

The dividend due to the State Treasury was PLN 34,665 thousand.

GUARANTIES AND SURETIES GRANTED

The Group granted no guarantees and sureties in the first nine months of 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

On 13 October 2016, the GPW Management Board adopted Resolution No. 1058/2016 concerning an issue of 1,200,000 (in words: one million two hundred thousand) bearer bonds with a nominal value of PLN 100 (in words: one hundred zlotys) per bond and a total nominal value of PLN 120,000,000 (in words: one hundred twenty million zlotys) ("Bonds").

The Bonds will be issued in two series:

• series D with a total nominal value of up to PLN 60,000,000 (in words: sixty million zlotys) ("Series D Bonds"), and

• series E with a total nominal value of up to PLN 60,000,000 (in words: sixty million zlotys) ("Series E Bonds").

The Bonds will bear interest at a variable rate equal to the reference rate WIBOR 6M plus a margin. The margin on the Bonds will be set in a separate Resolution of the GPW Management Board. The interest on the Bonds will be paid semi-annually. The Bonds are due for redemption on 31 January 2022.

In October 2016 Aquis Exchange Limited issued shares and increased its capital by another GBP 0.8 million without the participation of GPW.

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 the first nine months of 2016 include the entire annual fee due to PFSA. The relevant provision of PLN 11.2 million set up in Q1 2016 was released in September 2016. The final calculated supervision fee due to PFSA for 2016 is PLN 9.1 million for 2016, which is less than estimated in Q1 2016. The operating expenses of Q4 2016 will not include a supervision fee due to PFSA.
- 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 TGE: this will require IRGIT to obtain the status of central counterparty (CCP). IRGIT 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; hence, the Company does not expect any 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.

OTHER MATERIAL INFORMATION

On 12 January 2016, the General Meeting of the Warsaw Stock Exchange resolved to appoint Ms Małgorzata Zaleska as President of the Exchange Management Board.

The Polish Financial Supervision Authority ("PFSA") at its meeting on 9 February 2016 approved the change on the Exchange Management Board appointing Małgorzata Zaleska as President of the Exchange Management Board. The change on the Exchange Management Board is effective as of the date of delivery of the PFSA decision to the Company, i.e., 10 February 2016.

On 16 March 2016, Mr Karol Półtorak, Vice-President of the Management Board of GPW, resigned from his function.

At its meeting on 16 March 2016, the GPW Supervisory Board decided to appoint Mr Paweł Dziekoński as Vice-President of the Management Board of GPW.

The Polish Financial Supervision Authority at its meeting on 19 April 2016 approved the change on the Exchange Management Board appointing Mr Paweł Dziekoński as Vice-President of the Management Board of GPW. The change on the Exchange Management Board is effective as of the date of delivery of the PFSA decision to the Company, i.e., 20 April 2016.

On 23 May 2016, Mr Grzegorz Zawada, Vice-President of the Management Board of GPW, resigned from his function effective as of 23 May 2016. At its meeting on 23 May 2016, the GPW Supervisory Board decided to appoint Mr Michał Cieciórski as Member of the Management Board of GPW.

The Polish Financial Supervision Authority at its meeting on 27 September 2016 approved the change on the Exchange Management Board appointing Mr Michał Cieciórski as Member of the Management Board of GPW.

In the opinion of the Company, in the first nine months of 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 Q3 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 nine-month period ended 30 September 2016. The estimates did not change substantially in the nine-month period ended 30 September 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 other than the surety and the loan described in section IX.

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

	Nine-month period ended 30.09.2016	Nine-month period ended 30.09.2015	Three-month period ended 30.09.2016	Three-month period ended 30.09.2015
Revenue	**127,825**	**144,464**	**44,608**	**49,618**
Operating expenses	(73,458)	(90,606)	(18,580)	(30,972)
Other income	252	436	63	61
Other expenses	(914)	(1,430)	(343)	3
Operating profit	**53,705**	**52,864**	**25,748**	**18,710**
Financial income	65,069	46,987	60,092	1,220
Financial expenses	(6,034)	(6,591)	(2,023)	(1,959)
Profit before income tax	**112,739**	**93,261**	**83,817**	**17,972**
Income tax expense	(9,881)	(9,670)	(4,655)	(3,527)
Profit for the period	**102,858**	**83,591**	**79,161**	**14,444**
Other comprehensive income:	**-**	**-**	**-**	**-**
Net change of fair value of available-for-sale financial assets	-	(184)	-	(88)
Effective portion of change of fair value of cash flow hedges	163	29	-	47
Income to be reclassified as gains or losses	163	(155)	-	(41)
Actuarial gains / (losses) on provisions for employee benefits after the term of service	-	14	-	-
Income not to be reclassified as gains or losses	-	14	-	-
Other comprehensive income after tax	**163**	**(141)**	**-**	**(41)**
Total comprehensive income	**103,022**	**69,005**	**79,161**	**14,403**
Basic / Diluted earnings per share (PLN)	**2.45**	**1.99**	**1.89**	**0.34**

Source: Company

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

ASSETS	30.09.2016	31.12.2015	30.09.2015
Non-current assets	**463,407**	**472,253**	**472,153**
Property, plant and equipment	91,303	94,773	94,316
Intangible assets	76,079	81,601	82,931
Investment in associates	36,959	36,959	36,959
Investment in subsidiaries	254,984	254,985	253,889
Available-for-sale financial assets	287	282	287
Non-current prepayments	3,795	3,653	3,772
Current assets	**283,452**	**261,770**	**252,543**
Inventory	62	119	119
Trade and other receivables	24,296	26,091	25,167
Available-for-sale financial assets	-	-	10,616
Cash and cash equivalents	259,094	235,560	216,641
TOTAL ASSETS	**746,859**	**734,023**	**724,696**

EQUITY AND LIABILITIES	30.09.2016	31.12.2015	30.09.2015
Equity	**458,849**	**454,881**	**441,445**
Share capital	63,865	63,865	63,865
Other reserves	(141)	(304)	(425)
Retained earnings	395,124	391,320	378,005
Non-current liabilities	**136,199**	**258,242**	**257,680**
Liabilities under bond issue	123,733	243,800	244,424
Employee benefits payable	1,187	2,382	2,248
Deferred tax liability	9,055	12,060	11,009
Other liabilities	2,224	-	-
Current liabilities	**151,811**	**20,900**	**25,570**
Liabilities under bond issue	123,003	682	1,814
Trade payables	1,511	6,599	5,290
Employee benefits payable	4,924	7,023	6,089
Deferred tax liability	11,473	1,976	1,412
Accruals and deferred income	9,151	1,776	8,543
Other liabilities	1,748	2,844	2,421
TOTAL EQUITY AND LIABILITIES	**746,859**	**734,023**	**724,696**

Source: Company

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

	Nine-month period ended 30.09.2016	Nine-month period ended 30.09.2015
Cash flows from operating activities	**67,797**	**69,910**
Cash generated from operating activities	71,224	67,699
Income tax (paid)/refunded	(3,427)	2,212
Cash flows from investing activities	**58,256**	**43,130**
Purchase of property, plant and equipment	(4,224)	(1,631)
Purchase of intangible assets	(2,347)	(2,093)
Proceeds from sale of property, plant and equipment and intangible assets	51	45
Investment in subsidiaries	-	(1,215)
Loans granted	-	(100)
Interest received	3,186	3,452
Dividends received	61,590	43,072
Cash flows from financing activities	**(102,825)**	**(104,635)**
Paid dividend	(99,054)	(100,715)
Paid interest	(3,771)	(3,920)
Net (decrease) / increase in cash and cash equivalents	**23,228**	**8,405**
Impact of change of fx rates on cash balances in foreign currencies	306	200
Cash and cash equivalents - opening balance	**235,560**	**208,035**
Cash and cash equivalents - closing balance	**259,094**	**216,641**

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	
As at 31 December 2014	**63,865**	**(243)**	**395,147**	**458,769**
Dividends	-	-	(100,733)	(100,733)
Transactions with owners recognised directly in equity	-	-	(100,733)	(100,733)
Net profit for the nine-month period ended 30 September 2015	-	-	83,591	83,591
Other comprehensive income	-	(182)	-	(182)
Total comprehensive income for the nine-month period ended 30 September 2015	-	(182)	83,591	83,409
As at 30 September 2015 (unaudited)	**63,865**	**(425)**	**378,004**	**441,445**
As at 31 December 2014	**63,865**	**(243)**	**395,147**	**458,769**
Dividends	-	-	(100,733)	(100,733)
Transactions with owners shown directly in equity	-	-	(100,733)	(100,733)
Net profit for the year ended 31 December 2015	-	-	96,905	96,905
Other comprehensive income	-	(61)	-	(61)
Total comprehensive income for the year ended 31 December 2015	-	(61)	96,905	96,844
As at 31 December 2015	**63,865**	**(304)**	**391,320**	**454,881**
As at 31 December 2015	**63,865**	**(304)**	**391,320**	**454,881**
Net profit for the nine-month period ended 30 September 2016	-	-	102,858	102,858
Other comprehensive income	-	163	-	163
Total comprehensive income for the nine-month period ended 30 September 2016	-	163	102,858	103,021
As at 30 September 2016 (unaudited)	**63,865**	**(141)**	**395,124**	**458,849**

Source: Company

XI. Appendices

Condensed Consolidated Interim Financial Statements for the nine-month period ended 30 September 2016 and the auditor's review report

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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 30 SEPTEMBER 2016

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

Introduction

We have reviewed the accompanying 30 September 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 30 September 2016,
- the consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2016,
- the consolidated statement of changes in equity for the nine-month period ended 30 September 2016,
- the consolidated statement of cash flows for the nine-month period ended 30 September 2016, and
- notes to the condensed 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 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 30 September 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 Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
registration number 3546
ul. Inflancka 4A,
00-189 Warsaw

Signed on the Polish original

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

25 October 2016

25 YEARS GPW

WARSAW STOCK EXCHANGE

Condensed Consolidated Interim
Financial Statements of the

Giełda Papierów Wartościowych w Warszawie S.A. Group

for the nine-month period ended on 30 September 2016

October 2016

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(all amounts in PLN'000 unless indicated otherwise)

I. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 September 2016 *(unaudited)*	As at 31 December 2015
Non-current assets		**584,694**	**580,645**
Property, plant and equipment	**3**	119,554	125,229
Intangible assets	**4**	262,401	261,728
Investment in associates	**5**	196,025	188,570
Deferred tax asset		1,749	-
Available-for-sale financial assets		288	282
Long-term prepayments		4,677	4,836
Current assets		**462,093**	**442,170**
Inventories		67	135
Corporate income tax receivable		300	369
Trade and other receivables	**6**	37,793	81,273
Cash and cash equivalents	**8**	423,933	360,393
TOTAL ASSETS		**1,046,787**	**1,022,815**

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

(all amounts in PLN'000 unless indicated otherwise)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	As at 30 September 2016 *(unaudited)*	As at 31 December 2015
Equity		**722,865**	**721,267**
Equity of the shareholders of the parent entity		**722,353**	**720,721**
Share capital		63,865	63,865
Other reserves		1,537	1,455
Retained earnings		656,951	655,401
Non-controlling interests		**512**	**546**
Non-current liabilities		**137,314**	**258,799**
Liabilities on bonds issue	**9**	123,733	243,800
Employee benefits payable		2,254	4,046
Finance lease liabilities		48	84
Deferred tax liability		9,055	10,869
Other liabilities		2,224	-
Current liabilities		**186,608**	**42,749**
Liabilities on bonds issue	**9**	123,002	682
Trade payables		2,841	8,597
Employee benefits payable		8,872	9,457
Finance lease liabilities		61	55
Corporate income tax payable		11,911	2,833
Accruals and deferred income	**10**	11,630	7,263
Provisions for other liabilities and charges		179	621
Other liabilities	**11**	28,112	13,241
TOTAL EQUITY AND LIABILITIES		**1,046,787**	**1,022,815**

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

(all amounts in PLN'000 unless indicated otherwise)

II. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Three-month period ended		Nine-month period ended	
		30 September 2016 (unaudited)	30 September 2015 (unaudited)	30 September 2016 (unaudited)	30 September 2015 (unaudited)
Revenue		73,658	78,733	229,150	244,071
Operating expenses		(28,270)	(43,344)	(112,419)	(128,482)
Other income		101	234	445	1,093
Other expenses		(360)	(311)	(970)	(2,109)
Operating profit		**45,129**	**35,312**	**116,206**	**114,573**
Financial income		3,430	1,997	10,639	8,078
Financial expenses		(2,065)	(1,940)	(6,162)	(6,618)
Share of profit/ (loss) of associates	**5**	2,296	311	2,282	187
Profit before income tax		**48,789**	**35,678**	**122,965**	**116,220**
Income tax expense	**12**	(8,437)	(5,566)	(22,335)	(20,732)
Profit for the period		**40,352**	**30,113**	**100,630**	**95,488**
Net change of fair value of available-for-sale financial assets		*-*	*(88)*	*-*	*(271)*
Effective portion of change of fair value of cash flow hedges		*-*	*47*	*163*	*75*
Gains / (losses) on valuation of available-for-sale financial assets of associates		*(23)*	*(22)*	*(81)*	*(347)*
Items that are or may be reclassified subsequently to profit or loss		(23)	(63)	82	(543)
Actuarial gains / (losses) on provisions for employee benefits after termination		*-*	*-*	*-*	*14*
Items that will not be reclassified subsequently to profit or loss		-	-	-	14
Other comprehensive income after tax		**(23)**	**(63)**	**82**	**(529)**
Total comprehensive income		**40,329**	**30,049**	**100,712**	**94,959**
Profit for the period attributable to shareholders of the parent entity		*40,337*	*30,113*	*100,604*	*95,408*
Profit for the period attributable to non-controlling interests		*15*	*-*	*26*	*80*
Total profit for the period		40,352	30,113	100,630	95,488
Comprehensive income attributable to shareholders of the parent entity		*40,314*	*30,049*	*100,686*	*94,879*
Comprehensive income attributable to non-controlling interests		*15*	*-*	*26*	*80*
Total comprehensive income		40,329	30,049	100,712	94,959
Basic / Diluted earnings per share (PLN)		**0.96**	**0.72**	**2.40**	**2.28**

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

(all amounts in PLN'000 unless indicated otherwise)

III. CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Nine-month period ended	
		30 September 2016 (unaudited)	30 September 2015 (unaudited)
Cash flows from operating activities:		**169,036**	**61,367**
Cash generated from operation before tax		185,821	72,793
Net profit of the period		100,630	95,488
Adjustments:		85,191	(22,695)
Income tax		22,335	20,732
Depreciation of property, plant and equipment	**3**	10,466	10,973
Amortisation of intangible assets	**4**	9,242	8,851
Foreign exchange (gains)/losses		(306)	(200)
(Profit) / Loss on sale of property, plant and equipment and intangible assets		370	398
(Profit) / Loss on investment activity		-	(340)
Reveluation of investment in other entities		-	409
Financial (income) / expense of available-for-sale financial assets		-	(448)
Gains on dilution of shares in an associate		(5,404)	(2,754)
Income from interest on deposits		(4,707)	(4,824)
Interest, cost and premium on issued bonds		6,025	6,080
Net change of provisions for other liabilities and charges		(442)	(110)
Change of long-term prepayments		159	(1,383)
Share of (profit)/loss of associates		(2,282)	(187)
Other		212	(105)
Change in current assets and liabilities:		49,522	(59,786)
(Increase) / Decrease of inventories		*68*	*(25)*
(Increase) / Decrease of trade and other receivables		*43,480*	*(30,412)*
Increase / (Decrease) of trade payables		*(5,761)*	*(5,442)*
Increase / (Decrease) of employee benefits payable		*(2,377)*	*(1,870)*
Increase / (Decrease) of accruals and deferred income		*4,367*	*5,079*
Increase / (Decrease) of other liabilities (excluding dividend payable and investment liabilities)		*9,745*	*(27,116)*
Income tax (paid)		(16,785)	(11,426)

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

(all amounts in PLN'000 unless indicated otherwise)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Note	Nine-month period ended 30 September 2016 *(unaudited)*	Nine-month period ended 30 September 2015 *(unaudited)*
Cash flows from investing activities:		**(2,868)**	**(4,484)**
Purchase of property, plant and equipment		(5,922)	(6,404)
Purchase of intangible assets		(2,278)	(4,220)
Proceeds from sale of property, plant and equipment and intangible assets		475	963
Interest received		4,707	4,824
Dividend received		150	352
Cash flows from financing activities:		**(102,934)**	**(104,840)**
Dividend paid		(99,114)	(100,715)
Interest paid		(3,770)	(3,920)
Payment of finance lease liabilities		(50)	(205)
Net (decrease) / increase in cash and cash equivalents		**63,234**	**(47,958)**
Impact of fx rates on cash balance in currencies		*306*	*200*
Cash and cash equivalents - opening balance		**360,393**	**389,042**
Cash and cash equivalents - closing balance		**423,933**	**341,284**

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

(all amounts in PLN'000 unless indicated 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		
As at 31 December 2015	**63,865**	**1,455**	**655,401**	**720,721**	**546**	**721,267**
Dividends	-	-	(99,054)	**(99,054)**	(60)	**(99,114)**
Transactions with owners recognised directly in equity	**-**	**-**	**(99,054)**	**(99,054)**	**(60)**	**(99,114)**
Profit for the nine-month period ended 30 September 2016	-	-	100,604	**100,604**	26	**100,630**
Other comprehensive income	-	82	-	**82**	-	**82**
Total comprehensive income for the nine-month period ended 30 September 2016	**-**	**82**	**100,604**	**100,687**	**26**	**100,713**
As at 30 September 2016 *(unaudited)*	**63,865**	**1,537**	**656,951**	**722,353**	**512**	**722,865**

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

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

(all amounts in PLN'000 unless indicated 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		
As at 31 December 2014	**63,865**	**1,930**	**633,555**	**699,350**	**1,116**	**700,466**
Acquisition of non-controlling interests	-	-	(360)	**(360)**	(255)	**(615)**
Dividends	-	-	(100,733)	**(100,733)**	-	**(100,733)**
Transactions with owners recognised directly in equity	**-**	**-**	**(101,093)**	**(101,093)**	**(255)**	**(101,348)**
Profit for the nine-month period ended 30 September 2015	-	-	95,408	**95,408**	80	**95,488**
Other comprehensive income	-	(529)	-	**(529)**	-	**(529)**
Total comprehensive income for the nine-month period ended 30 September 2015	**-**	**(529)**	**95,408**	**94,879**	**80**	**94,959**
Other changes in equity	**-**	**-**	**16**	**16**	**-**	**16**
As at 30 September 2015 *(unaudited)*	**63,865**	**1,401**	**627,886**	**693,152**	**941**	**694,093**

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, ul. Książęca 4. 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, Tax Identification Number 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_2 Emission Allowances Market** (trade in CO_2 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 has been operating since 4 November 2015.

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 October 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").

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 30 September 2016 and its financial results in the period from 1 January 2016 to 30 September 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 the Group'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 resulting from the application of new standards as described below.

(all amounts in PLN'000 unless indicated otherwise)

The Condensed Consolidated Interim Financial Statements for the nine-month period ended 30 September 2016 should be read in conjunction with the audited Consolidated Financial Statements for the year ended 31 December 2015.

The following 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 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, other than the judgements concerning fees covering the cost of capital market supervision described in Note 13.1.

3. Property, plant and equipment

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

	Period of	
	9 months ended 30 September 2016 *(unaudited)*	**12 months ended 31 December 2015**
Net carrying value - opening balance	**125,229**	**119,762**
Additions	5,922	23,813
Reclassification	(333)	(2,655)
Other adjustments	-	78
Disposals	(798)	(773)
Depreciation charge	(10,466)	(14,996)
Net carrying value - closing balance	**119,554**	**125,229**

Contracted investment commitments for property, plant and equipment were PLN 811 thousand as at 30 September 2016, including mainly restructuring of GPW offices.

Contracted investment commitments for property, plant and equipment were PLN 1,094 thousand as at 31 December 2015, including mainly restructuring of GPW offices.

(all amounts in PLN'000 unless indicated otherwise)

4. Intangible assets

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

	Period of	
	9 months ended 30 September 2016 *(unaudited)*	**12 months ended 31 December 2015**
Net carrying value - opening balance	**261,728**	**261,019**
Additions	9,626	10,315
Reclassification	329	2,655
Impairment	-	(93)
Disposals	(40)	(327)
Amortisation charge	(9,242)	(11,841)
Net carrying value - closing balance	**262,401**	**261,728**

Contracted investment commitments for intangible assets amounted to PLN 499 thousand as at 30 September 2016 and related mainly to:

- electronic document flow;
- implementation of the financial and accounting system AX 2012 with the new consolidation and budgeting modules in GPW.

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

- UTP-Derivatives systems;
- electronic document flow;
- Microsoft product licences in GPW;
- X-Stream Trading system in 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 30 September 2016, the parent entity held interest in the following associates:

- KDPW S.A. Group;
- Centrum Giełdowe S.A.;
- Aquis Exchange Limited.

(all amounts in PLN'000 unless indicated otherwise)

Table 3: Carrying value of share of profit of associates

	As at	
	30 September 2016 *(unaudited)*	**31 December 2015**
KDPW S.A. Group	162,865	157,365
Centrum Giełdowe S.A.	16,385	16,261
Aquis Exchange Limited	16,775	14,944
Total	**196,025**	**188,570**

Table 4: Change of the value of investment in associates

	As at/Period of	
	9 months ended 30 September 2016 *(unaudited)*	**12 months ended 31 December 2015**
Opening balance	**188,570**	**188,104**
Gains on dilution of shares of Aquis Exchange Limited	5,404	2,754
Dividends	(150)	(352)
Share of profit/ (loss) after tax	2,282	(1,530)
Share in other comprehensive income	(81)	(405)
Closing balance	**196,025**	**188,570**

On 10 June 2016, GPW and the other shareholders of Aquis signed an agreement concerning shares of Aquis Exchange Limited. Under the annex to the shareholders' agreement, GPW agreed to conditionally sell the entire package of Aquis shares held at GBP 37 per share. The call option may be exercised by Aquis shareholders upon a negative decision of GPW concerning an initial public offering (IPO) or a negative decision of GPW concerning potential restructuring of Aquis Exchange necessary to complete an IPO. The call option is valid until the end of November 2017 and then expires.

In Q1-Q3 2016, Aquis Exchange Limited issued shares in four tranches: in May, July, August, and September. The purchase price of new issue shares was GBP 18.50 per share, which is more than the price paid by GPW for Aquis shares (GBP 13.02 per share). As the price of the new issue shares was significantly higher than the price at which GPW acquired shares, the value of GPW's investment in Aquis increased and GPW realised gain on dilution amounting to PLN 5,404 thousand, even though GPW's stake in Aquis decreased. Following the share issues without the participation of GPW, GPW's share in Aquis measured by the number of shares decreased from 31.01% as at 31 December 2015 to 23.60% as at 30 September 2016. GPW's share in economic and voting rights decreased from 26.33% to 20.79%.

(all amounts in PLN'000 unless indicated otherwise)

The table below presents a detailed calculation of GPW's gains on the dilution of the stake in Aquis.

Table 5: Dilution of shares of Aquis in 2016

	May 2016	July 2016	August 2016	September 2016	Total
GPW's share in economic and voting rights of Aquis:					
before the share issue	26.33%	23.30%	21.37%	21.11%	N/A
after the share issue	23.30%	21.37%	21.11%	20.79%	N/A
Cash contributed by new shareholders of Aquis	19,482	14,275	2,091	2,629	**38,477**
GPW's gains on dilution of Aquis shares	3,064	1,808	238	294	**5,404**

The gains on the dilution of shares of Aquis are recognised in the financial income of the Group.

6. Trade and other receivables

Table 6: Trade and other receivables

	As at	
	30 September 2016 *(unaudited)*	31 December 2015
Gross trade receivables	*32,967*	*39,164*
Impairment allowances for receivables	*(1,983)*	*(1,716)*
Total trade receivables	**30,984**	**37,448**
Short-term prepayments	5,606	4,203
Other receivables and advance payments	1,073	1,655
Receivables in respect of tax settlements	130	37,967
Total other receivables	**6,809**	**43,825**
Total trade and other receivables	**37,793**	**81,273**

7. Provisions and impairment losses for assets

In the period from 1 January 2016 to 30 September 2016, impairment losses for assets were adjusted as follows:

- impairment allowances for receivables: an increase of PLN 268 thousand (provision additions of PLN 517 thousand, releases of PLN 160 thousand, receivables written off PLN 90 thousand).

Furthermore, in the period from 1 January 2016 to 30 September 2016, there were the following changes in estimates relating to provisions:

- litigation and other provisions were reduced by PLN 470 thousand;
- provisions against employee benefits (mainly annual bonuses) were reduced by PLN 2,377 thousand (releases of PLN 4,023 thousand, usage of PLN 7,341 thousand, provision additions of PLN 8,991 thousand).

(all amounts in PLN'000 unless indicated otherwise)

8. Cash and cash equivalents

Table 7: Cash and cash equivalents

	As at	
	30 September 2016 (unaudited)	31 December 2015
Cash	27	4
Current accounts	269,926	123,066
Bank deposits	153,980	237,323
Total cash and cash equivalents	**423,933**	**360,393**

9. Bond issue liabilities

Table 8: Bond issue liabilities

	As at	
	30 September 2016 (unaudited)	31 December 2015
Liabilities under bond issue - non-current:	**123,733**	**243,800**
Series A and B bonds	-	120,257
Series C bonds	123,733	123,543
Liabilities under bond issue - current:	**123,002**	**682**
Series A and B bonds	121,323	-
Series C bonds	1,679	682
Total liabilities under bond issue	**246,735**	**244,482**

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.

(all amounts in PLN'000 unless indicated otherwise)

The redemption date of the series A and B bonds is 2 January 2017. Series A and B bonds were partly redeemed before maturity in October 2015 in the nominal amount of PLN 124,516 thousand.

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 proceeds from the issue were used for a partial redemption of series A and B bonds. 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 have been introduced to the alternative trading system on Catalyst.

In August 2016, GPW announced a potential issue of new issue bonds. The planned issue relates to the refinancing of the redemption of series A and B bonds issued by GPW due on 2 January 2017. On 13 October 2016, the GPW Management Board resolved to issue 1,200,000 series D and E unsecured bearer bonds with a nominal value of PLN 100 per bond and a total nominal value of PLN 120,000 thousand. The expected date of the issue of series D bonds is 2 January 2017 and the expected date of the issue of series E bonds is 18 January 2017. The details of the issue of series D and E bonds are presented in the Note "Events after the balance sheet date".

10. Accruals and deferred income

Table 9: Accruals and deferred income

	As at	
	30 September 2016 *(unaudited)*	**31 December 2015**
Total financial market	7,718	-
Total commodity market	1,665	4,461
Other income	494	286
Deferred income	**9,877**	**4,747**
Accruals	**1,753**	**2,516**
Total accruals and deferred income	**11,630**	**7,263**

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

11. Other liabilities

Other current liabilities as at 30 September 2016 include among other things VAT liabilities and capex liabilities.

(all amounts in PLN'000 unless indicated otherwise)

12. Income tax

Table 10: Income tax by current and deferred tax

	Three-month period ended		Nine-month period ended	
	30 September 2016 *(unaudited)*	30 September 2015 *(unaudited)*	30 September 2016 *(unaudited)*	30 September 2015 *(unaudited)*
Current income tax	4,914	4,810	25,936	21,021
Deferred tax	3,523	756	(3,601)	(289)
Total income tax	**8,437**	**5,566**	**22,335**	**20,732**

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

Table 11: 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		Nine-month period ended	
	30 September 2016 *(unaudited)*	30 September 2015 *(unaudited)*	30 September 2016 *(unaudited)*	30 September 2015 *(unaudited)*
Profit before income tax	48,789	35,678	122,965	116,220
Income tax rate	19%	19%	19%	19%
Income tax at the statutory tax rate	**9,270**	**6,779**	**23,363**	**22,082**
Tax effect:	**(833)**	**(1,213)**	**(1,029)**	**(1,349)**
Non-tax-deductible expenses	13	137	222	211
Realized tax loss*	-	(1,291)	-	(1,291)
Additional taxable income	(14)	-	(8)	-
Gain on dilution of Aquis shares	(445)	-	(1,027)	-
Tax losses of subsidiaries not recognised in deferred tax	69	89	218	378
Share of profit of associates free from taxation	(436)	12	(434)	35
Other adjustments	(20)	(160)	-	(682)
Total income tax	**8,437**	**5,566**	**22,335**	**20,732**

** Relates to a tax loss realized on the sale of a subsidary for which no deferred tax asset was recognized in the prior periods.*

13. Related party transactions

Related parties of the Group include its associates (KDPW S.A. 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 30 September 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 7,072 thousand in the nine-month period ended on 30 September 2016 and PLN 8,723 thousand in the nine-month period ended on 30 September 2015.

Companies with a stake held by the State Treasury, with which PolPX and IRGIT 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 following companies with a stake held by the State Treasury entered individually into material transactions with the PolPX Group: Polskie Górnictwo Naftowe i Gazownictwo S.A. (Polish Oil and Gas Company, "PGNiG"). The total revenue of PolPX and IRGIT from PGNiG was PLN 8,566 thousand in the nine-month period ended on 30 September 2016 and PLN 7,409 thousand in the nine-month period ended on 30 September 2015. PGNiG is a participant of the markets operated by PolPX and a member of IRGIT.

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 nine-month period ended on 30 September 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 indicated 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 and increased the amount of contributions of entities. 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. As a result, the cost paid by the GPW Group will be reduced significantly in 2016 and beyond compared to PLN 22.0 million in 2015.

Following these amendments of regulations, the GPW Group has decided in 2016 to change the timing of recognition of liabilities in respect of fees due to PFSA and of charging the fees to costs. Previously, the GPW Group recognised 1/12 of the annual fee due to PFSA in each month of the year. Starting in 2016, the estimated amount of the entire annual fee due to PFSA is charged to the accounts of the GPW Group of the first quarter of each year.

As a result of the change in the presentation of the fee due to PFSA, the GPW Group's operating expenses in the nine-month period ended on 30 September 2016 include an annual fee of PLN 9,076 thousand (the final payment for 2016 based on the announcement of the PFSA's Chairman from 30 August 2016). The fees in the first nine months of 2015 stood at PLN 17,443 thousand.

Details about the changes of fees due to PFSA are presented in the GPW Group's financial statements for the three-month period ended on 31 March 2016.

13.2. Transactions with associates

Table 12: Transactions of GPW Group companies with associates

	As at 30 September 2016 *(unaudited)*		Three-month period ended 30 September 2016 *(unaudited)*		Nine-month period ended 30 September 2016 *(unaudited)*	
	Receivables	Liabilities	Sales revenue	Operating expenses	Sales revenue	Operating expenses
KDPW S.A. Group	-	-	-	33	-	39
Centrum Giełdowe S.A.	-	56	-	264	45	480
Aquis Exchange Limited	6	-	6	-	21	-
Total	**6**	**56**	**6**	**298**	**66**	**519**

Table 13: Transactions of GPW Group companies with associates

	As at 31 December 2015		Three-month period ended 30 Septemner 2015 *(unaudited)*		Nine-month period ended 30 September 2015 *(unaudited)*	
	Receivables	Liabilities	Sales revenue	Operating expenses	Sales revenue	Operating expenses
KDPW S.A. Group	1	1	38	23	80	33
Centrum Giełdowe S.A.	-	146	2	243	2	854
Aquis Exchange Limited	7	-	9	-	9	-
Total	**8**	**147**	**49**	**266**	**91**	**887**

(all amounts in PLN'000 unless indicated otherwise)

During the first nine 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 service charges, including 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 2,500 thousand in the first nine months of 2016 and PLN 2,656 thousand in the first nine 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.

Table 14: Remuneration and benefits to the key management personnel of the Group

	Three-month period ended 30 September *(unaudited)*		Nine-month period ended 30 September *(unaudited)*	
	2016	**2015**	**2016**	**2015**
Base salary	688	865	2,338	2,599
Holiday leave equivalent	-	-	80	-
Bonus - Bonus Bank*	(844)	225	(585)	1,072
Bonus - one-off payment*	(633)	168	(460)	804
Bonus - phantom shares*	(606)	168	(460)	804
Other benefits	20	46	71	123
Benefits after termination	37	145	217	774
Total remuneration of the Exchange Management Board	**(1,338)**	**1,618**	**1,201**	**6,176**
Remuneration of the Exchange Supervisory Board	**141**	**139**	**398**	**406**
Total remuneration of the key management personnel	**(1,197)**	**1,757**	**1,599**	**6,582**

** Negative bonuses in 2016 result from a release of 2015 provisions for bonuses for the Management Board amounting to PLN 2.4 million (including: PLN 0.7 million for one-off payment, PLN 1.0 million for Bonus Bank and PLN 0.7 million for phantom shares).*
In 2015 the release of provisions totalled PLN 0.4 million.

14. Dividend

On 22 June 2016, the Ordinary General Meeting of GPW resolved to distribute the Company's profit of 2015, including an allocation of PLN 99,054 thousand to the payment of a dividend. The dividend per share was PLN 2.36. The dividend record date was 20 July 2016 and the dividend payment date was 4 August 2016. The dividend due to the State Treasury was PLN 34,665 thousand.

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);
- 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 Commodity Clearing House ("IRGiT") and offers exchange trade in commodities (electricity, gas) and property rights 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 of property rights in certificates of origin of electricity and cancellation of certificates of origin);
- CO_2 Allowances Market (trade in property rights in certificates of origin of electricity);
- Clearing (revenue from other fees paid by market participants (members)).

(all amounts in PLN'000 unless indicated otherwise)

The Commodity Market segment includes the PolPX Group.

3) The segment **Other** includes the companies IAiR and GPW Centrum Usług.

The accounting policies for the business segments are the same as the accounting policies of the GPW Group.

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 business 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.

Table 15: Business segments: Revenue

	Nine-month period ended 30 September 2016 *(unaudited)*				
	Financial Market	Commodity Market	Other	Exclusions and adjustments	Total GPW Group
Sales to external clients	134,954	94,196	-	-	**229,150**
Sales between segments and intra-Group transactions	1,060	164	144	(1,368)	**-**
Sales revenues	**136,014**	**94,360**	**144**	**(1,368)**	**229,150**

(all amounts in PLN'000 unless indicated otherwise)

Table 16: Business segments: Statement of comprehensive income

	Nine-month period ended 30 September 2016 *(unaudited)*				
	Financial Market	Commodity Market	Other	Exclusions and adjustments	Total GPW Group
Sales revenues	136,014	94,360	144	(1,368)	229,150
Operation expenses	(80,807)	(32,369)	(613)	1,370	(112,419)
incl. depreciation and amortisation	*(15,782)*	*(3,831)*	*(97)*	-	*(19,710)*
Profit/(loss) on sales	**55,207**	**61,991**	**(469)**	**2**	**116,731**
Profit / (loss) on other operations	(657)	132	39	(39)	(525)
Operating profit / (loss)	**54,550**	**62,123**	**(430)**	**(37)**	**116,206**
Profit / (loss) on financial operations*, incl.	59,250	1,386	27	(56,186)	4,477
interest income	*3,357*	*1,322*	*27*	-	*4,706*
dividend income	*61,590*	-	-	(61,590)	-
interest expenses	*(5,666)*	*(5)*	-	-	*(5,671)*
Share of profit/ (loss) of associates	-	-	-	2,282	2,282
Profit before income tax	**113,800**	**63,509**	**(403)**	**(53,940)**	**122,965**
Income tax expense	(10,095)	(12,240)	-	-	(22,335)
Profit for the period	**103,705**	**51,269**	**(403)**	**(53,940)**	**100,630**

** The amount of "exclusions and adjustments" includes gain on dilution of an interest in Aquis of PLN 5,404 thousand*

Table 17: Business segments: Statement of financial position

	As at 30 September 2016 *(unaudited)*				
	Financial Market	Commodity Market	Other	Exclusions and adjustments	Total GPW Group
Total assets*	764,747	206,630	3,823	71,588	1,046,787
Total liabilities	289,115	35,321	15	(529)	323,922
Net assets (assets less liabilities)	**475,632**	**171,309**	**3,808**	**72,116**	**722,865**

** The amount of "exclusions and adjustments" includes mainly the adjustment of the value of investments in associates recognised at cost in the financial segment to equity method accounting (PLN 159 million) less impact of consolidation adjustments (PLN 87 million).*

(all amounts in PLN'000 unless indicated otherwise)

Table 18: Business segments: Revenue

	Nine-month period ended 30 September 2015 *(unaudited)*				
	Financial Market	Commodity Market	Other	Exclusions and adjustments	Total GPW Group
Sales to external clients	152,109	91,261	701	-	**244,071**
Sales between segments and intra-Group transactions	1,189	80	411	(1,680)	**-**
Sales revenues	**153,298**	**91,341**	**1,112**	**(1,680)**	**244,071**

Table 19: Business segments: Statement of comprehensive income

	Nine-month period ended 30 September 2015 *(unaudited)*				
	Financial Market	Commodity Market	Other	Exclusions and adjustments	Total GPW Group
Sales revenues	153,298	91,341	1,112	(1,680)	244,071
Operation expenses	(97,040)	(29,674)	(2,042)	274	(128,482)
incl. depreciation and amortisation	*(16,662)*	*(3,039)*	*(123)*	-	*(19,824)*
Profit/(loss) on sales	**56,259**	**61,666**	**(930)**	**(1,406)**	**115,589**
Profit / (loss) on other operations	(1,002)	(11)	(3)	-	(1,016)
Operating profit / (loss)	**55,257**	**61,655**	**(933)**	**(1,406)**	**114,573**
Profit / (loss) on financial operations*, incl.	40,583	1,106	38	(40,267)	1,460
interest income	*3,651*	*1,132*	*41*	-	*4,824*
dividend income	*43,072*	-	-	(43,072)	-
interest expenses	*(5,734)*	-	-	-	*(5,734)*
Share of profit/ (loss) of associates	-	-	-	186	186
Profit before income tax	**95,840**	**62,761**	**(895)**	**(41,487)**	**116,220**
Income tax expense	(10,045)	(12,029)	-	1,342	(20,732)
Profit for the period	**85,795**	**50,732**	**(895)**	**(40,145)**	**95,488**

** The amount of "exclusions and adjustments" includes gain on dilution of an interest in Aquis of PLN 2,754 thousand*

(all amounts in PLN'000 unless indicated otherwise)

Table 20: 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
Net assets (assets less liabilities)	**472,667**	**179,720**	**4,195**	**64,684**	**721,267**

** The amount of "exclusions and adjustments" includes mainly the adjustment of the value of investments in associates recognised at cost in the financial segment to equity method accounting (PLN 152 million) less impact of consolidation adjustments (PLN 87 million).*

Table 21: Business segments: Revenue

	Three-month period ended 30 September 2016 *(unaudited)*				
	Financial Market	**Commodity Market**	**Other**	**Exclusions and adjustments**	**Total GPW Group**
Sales to external clients	46,970	26,688	-	-	**73,658**
Sales between segments and intra-Group transactions	396	61	-	(455)	**-**
Sales revenues	**47,366**	**26,749**	**-**	**(455)**	**73,658**

(all amounts in PLN'000 unless indicated otherwise)

Table 22: Business segments: Statement of comprehensive income

	Three-month period ended 30 September 2016 *(unaudited)*				
	Financial Market	Commodity Market	Other	Exclusions and adjustments	Total GPW Group
Sales revenues	47,366	26,749	-	(457)	73,658
Operation expenses	(20,796)	(7,758)	(172)	456	(28,270)
incl. depreciation and amortisation	*(5,452)*	*(1,347)*	-	-	*(6,799)*
Profit/(loss) on sales	**26,570**	**18,991**	**(172)**	**(1)**	**45,387**
Profit / (loss) on other operations	(277)	23	(5)	-	(259)
Operating profit / (loss)	**26,293**	**19,014**	**(177)**	**(1)**	**45,129**
Profit / (loss) on financial operations, incl.	58,126	392	7	(57,160)	1,365
interest income	*962*	*403*	*7*	-	*1,372*
dividend income	*59,500*	-	-	(61,590)	*(2,090)*
interest expenses	*(1,900)*	*(3)*	-	-	*(1,903)*
Share of profit/ (loss) of associates	-	-	-	2,296	2,296
Profit before income tax	**84,419**	**19,406**	**(170)**	**(54,865)**	**48,789**
Income tax expense	(4,768)	(3,669)	-	-	(8,437)
Profit for the period	**79,652**	**15,737**	**(170)**	**(54,865)**	**40,352**

Table 23: Business segments: Revenue

	Three-month period ended 30 September 2015 *(unaudited)*				
	Financial Market	Commodity Market	Other	Exclusions and adjustments	Total GPW Group
Sales to external clients	51,863	26,694	175	-	**78,733**
Sales between segments and intra-Group transactions	425	29	141	(595)	**-**
Sales revenues	**52,288**	**26,724**	**316**	**(595)**	**78,733**

(all amounts in PLN'000 unless indicated otherwise)

Table 24: Business segments: Statement of comprehensive income

	Three-month period ended 30 September 2015 *(unaudited)*				
	Financial Market	**Commodity Market**	**Other**	**Exclusions and adjustments**	**Total GPW Group**
Sales revenues	52,288	26,724	316	(595)	78,733
Operation expenses	(33,011)	(9,853)	(628)	148	(43,344)
incl. depreciation and amortisation	*(5,499)*	*(1,441)*	*(70)*	-	*(7,010)*
Profit/(loss) on sales	**19,278**	**16,869**	**(312)**	**(447)**	**35,388**
Profit / (loss) on other operations	49	(125)	-	-	(76)
Operating profit / (loss)	**19,327**	**16,744**	**(312)**	**(447)**	**35,312**
Profit / (loss) on financial operations, incl.	(681)	676	10	51	56
interest income	*1,121*	*692*	*11*	-	*1,825*
dividend income	*43,072*	-	-	(43,072)	-
interest expenses	*(1,814)*	-	-	-	*(1,814)*
Share of profit/ (loss) of associates	-	-	-	310	310
Profit before income tax	**18,646**	**17,420**	**(302)**	**(86)**	**35,678**
Income tax expense	(3,612)	(3,321)	-	1,365	(5,566)
Profit for the period	**15,034**	**14,099**	**(302)**	**1,280**	**30,113**

17. IRGIT - Clearing Guarantee System

The clearing guarantee system operated by IRGIT 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 IRGIT clearing member under exchange transactions and margins with the amount of posted transaction deposits and margins.

(all amounts in PLN'000 unless indicated otherwise)

Table 25: Cash posted as transaction deposits and margins and contributions to the guarantee funds

	As at 30 September 2016 *(unaudited)*			As at 31 December 2015		
	Cash in IRGiT accounts	Cash in clients accounts	Total	Cash in IRGiT accounts	Cash in clients accounts	Total
Transaction deposits	427,614	250,105	**677,719**	573,617	408,672	**982,289**
Margins	116,325	88,917	**205,241**	109,943	382,013	**491,956**
Guarantee funds	144,686	40,452	**185,137**	192,446	44,005	**236,451**
Total	**688,625**	**379,474**	**1,068,099**	**876,007**	**834,690**	**1,710,697**

Non-cash collateral credited to margins stood at PLN 358,713 thousand as at 30 September 2016 and PLN 325,988 thousand as at 31 December 2015.

Cash of guarantee funds and transaction deposits and margins is not recognized as assets in the Group's statement of financial position as substantially all risks and rewards relating to the cash posted with the clearing guarantee system remain with the IRGIT Members.

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 IRGIT Management Board.

18. Events after the balance sheet date

On 13 October 2016, the GPW Management Board resolved to issue 1,200,000 unsecured bearer bonds with a nominal value of PLN 100 per bond and a total nominal value of PLN 120 million. The bonds will be issued in two series: series D with a total nominal value of up to PLN 60 million and series E with a total nominal value of up to PLN 60 million. The bonds will bear interest at a variable rate equal to the reference rate WIBOR 6M plus a margin. The margin on the bonds will be set in a separate Resolution of the GPW Management Board. The interest on the bonds will be paid semi-annually. The bonds are due for redemption on 31 January 2022.

In October 2016 Aquis Exchange Limited issued shares and increased its capital by another GBP 0.8 million without the participation of GPW.

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 ....

Michał Cieciórski – Member of the Management Board ....

Dariusz Kułakowski – Member of the Management Board ....

Signature of the person responsible for keeping the accounting records:

Sylwia Sawicka – Chief Accountant ....

Warsaw, 25 October 2016