



GPW Group's Financial Results Q1 2017

28 April 2017



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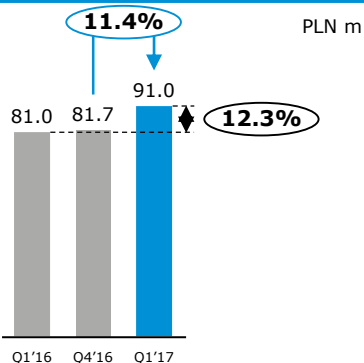
Management Board
Member GPW

Summary of the GPW Group's Activity in Q1 2017

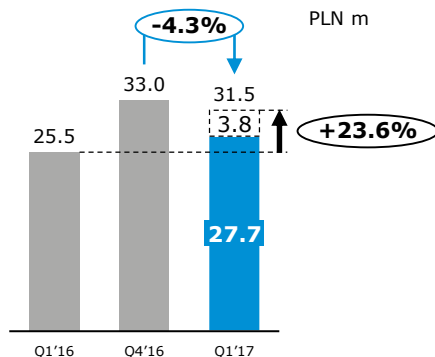
Financial Results of the GPW Group in Q1 2017

Excellent Financial Results in Q1'17

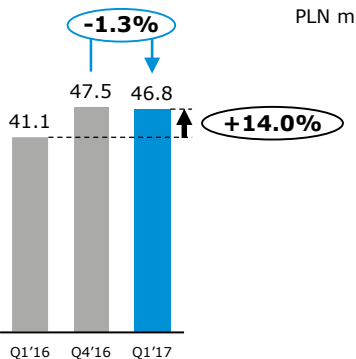
Sales revenue



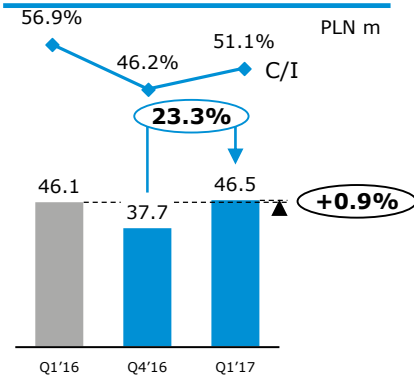
Net profit



EBITDA



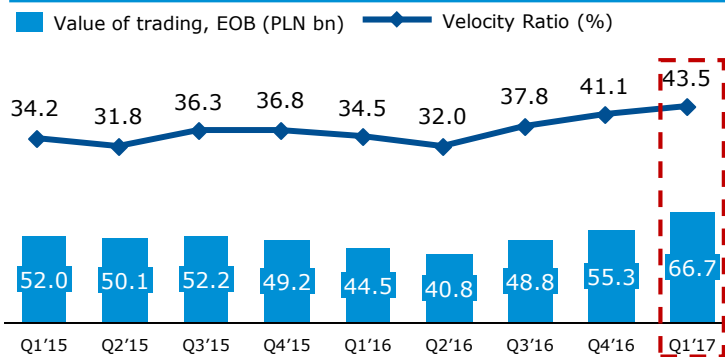
Operating expenses



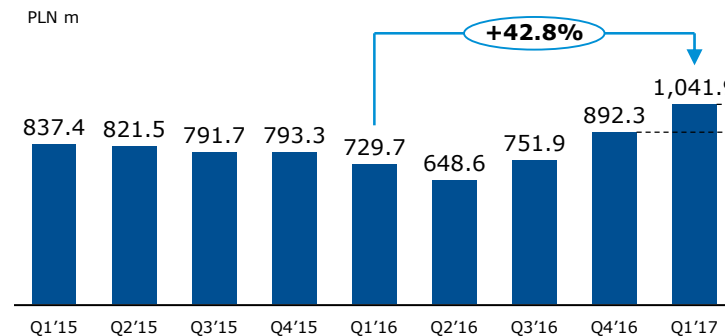
- ◆ Revenue increased to PLN 91.0 m (+11.4% qoq, +12.3% yoy)
- ◆ Net profit in Q1'17: PLN 27.7 m (up by 8.4% yoy)
- ◆ Strict cost discipline
 - ✓ Cost/income ratio in Q1'17 at 51.1%, vs 56.9% in Q1'16
- ◆ Correction of annual payment of PFSA fees at Group level
- ◆ Atypical events
 - ✓ Donation to the Polish National Foundation
 - ✓ Tax Office correction of interest rate used by TGE for tax liabilities of previous years

Highest Stock Velocity Ratio Since Q1'12

Highest velocity since Q1'12: 43.5%

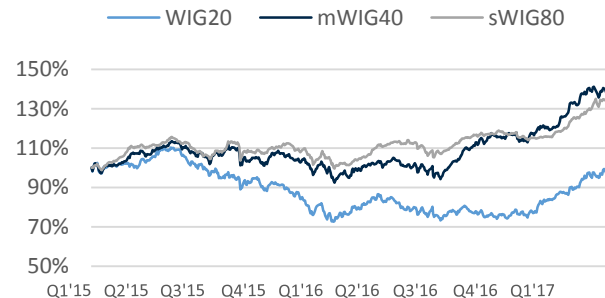


Average daily value of EOB trade



- ◆ The best quarter since Q1'12 in terms of turnover in stocks: increase in PLN Q1'17 to PLN 66.7 bn (+20.6% qoq, +49.9% yoy):
 - ✓ Average daily value of trade up by 16.8% qoq and 42.2% yoy
 - ✓ WIG20 gained +11.2% and mWIG40 gained +12.9% in Q1'17
- ◆ New Exchange Member: Interactive Brokers
- ◆ New HVP client, covers 70 stocks, mainly as a liquidity provider
- ◆ Share of new proprietary traders² in turnover in stocks in Q1'17 – 9.7%

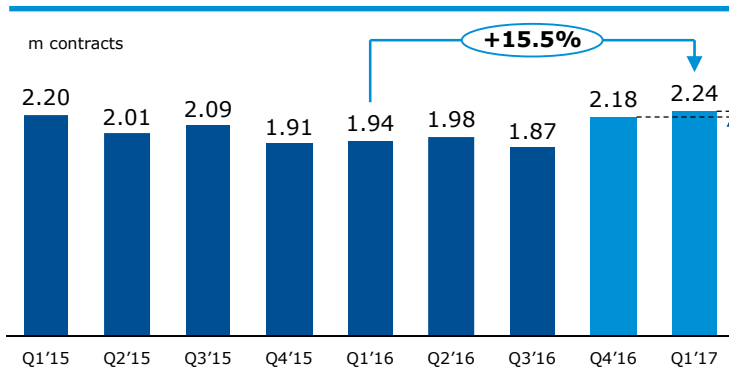
Growth of the main indices¹



¹ Change in the value of turnover in stocks participating in WIG20, mWIG40 and sWIG80; Q1'15 = 100%

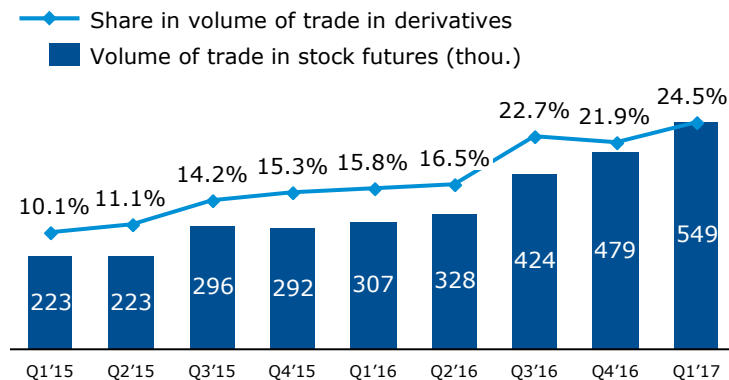
² Participants of liquidity support programmes (HVP and HVF) and a new market maker

Volume of derivatives trade



- ◆ Volume of trade in WIG20 futures in Q1'17 at 1.29 m contracts (up by 7.6% qoq and 4.7% yoy)
- ◆ Record-high volume of trade in single-stock futures in Q1'17 – 549 thou. contracts
- ◆ Promotion for Market Makers of WIG20 futures extended till the end of September 2017
- ◆ Introduction of new futures contracts on shares of the company Polimex - Mostostal SA
- ◆ Share of proprietary traders¹ in turnover in futures in Q1'17– 5.9% (index futures– 7.5%, single-stock futures– 5.1%)

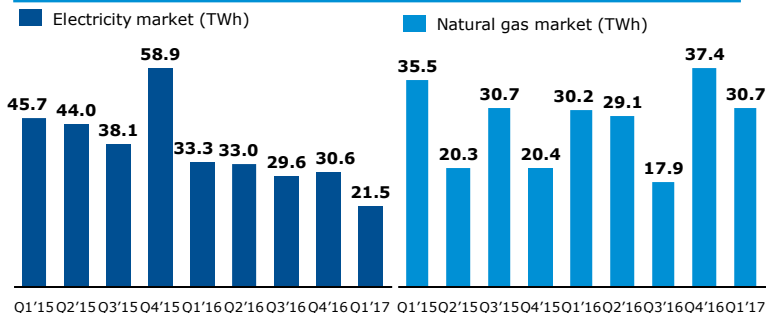
Record-high interest in single-stock futures



¹ Participants of liquidity support programmes (HVP and HVF) and a new market maker

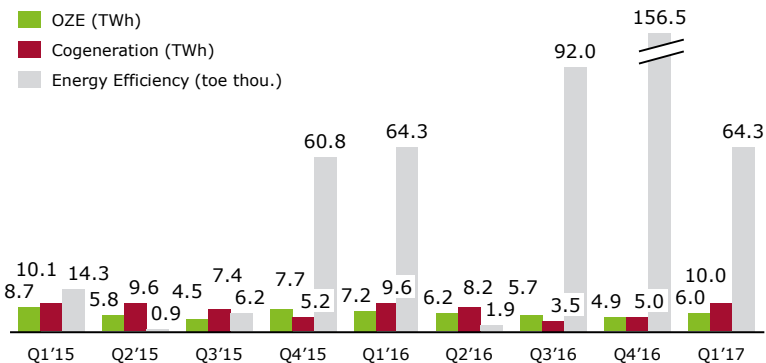
Commodity Market in Q1 2017

Volume of spot and forward transactions in electricity and gas



- ♦ **Gas market** – trade up in Q1'17 by 1.7% yoy.
 - ✓ Volume of spot trade 9.2 TWh – up by 18.3% yoy
 - ✓ Volume of forward trade 21.4 TWh – down by 4.1% yoy
- ♦ **Electricity market** – volume of trade decreased after the expiration of the obligation under long-term contracts and in view of uncertainty about the implementation of MIFID II in Polish law (treatment of forward contracts concluded before 3 January 2018 and executed after that date)
 - ✓ Volume of spot trade 6.8 TWh – down by 6.0% yoy
 - ✓ Volume of forward trade 14.7 TWh, down by 43.6% yoy.

Volume of trade in property rights



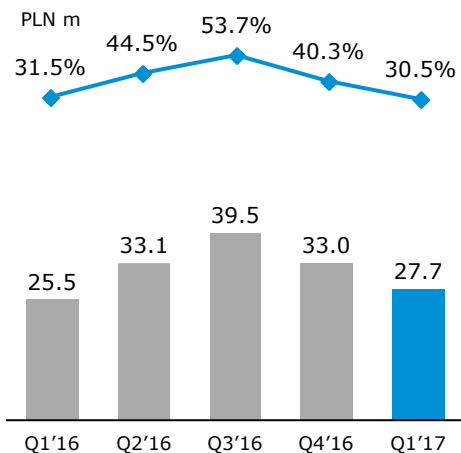
- ♦ **Register of Certificates of Origin/Property Rights Market :**
 - ✓ Strong growth on the market of yellow certificates: 22.3% yoy – 2.2 TWh
 - ✓ Volume of white certificates stable yoy – 64,251 toe – strong outlook for the market due to new rules of certificate issuance and market organisation and promotion of efficiency initiatives (new Energy Efficiency Act of October 2016)
 - ✓ Dynamic increase in the number of members of the Register of Certificates of Origin – 135 new members in Q1'17, in total 3,105 members at the end of Q1'17

Summary of the GPW Group's Activity in Q1 2017

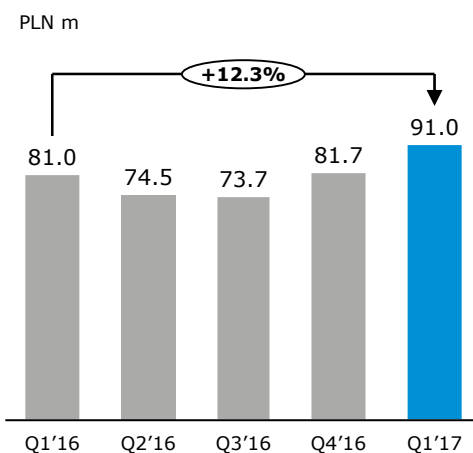
Financial Results of the GPW Group in Q1 2017

Profitability Ratios Improved YoY

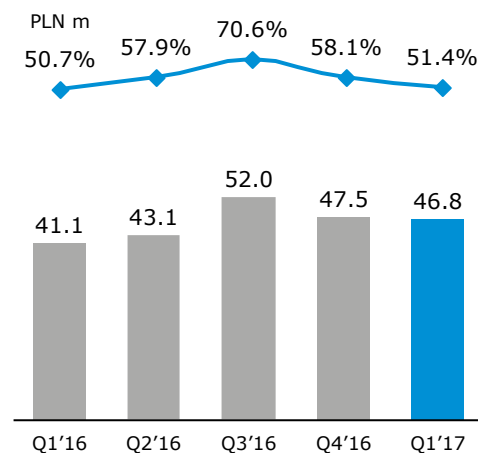
Net profit and net profit margin



Sales revenue



EBITDA and EBITDA margin



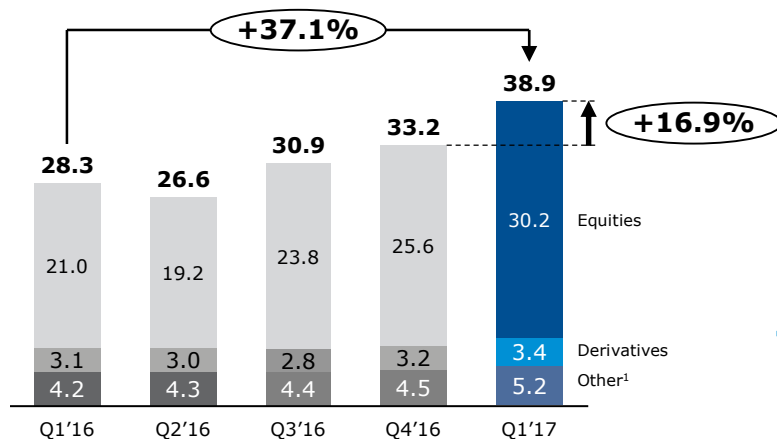
- ◆ Record-high sales revenue driven by stronger investor activity on the financial market
- ◆ Operational expenses impacted by one-off events:
 - ✓ Fees due from the GPW Group for capital market supervision (PFSA): PLN 11.4 m
 - ✓ Donation of PLN 3 m to the Polish National Foundation
- ◆ Tax Office correction of interest rate used by TGE for tax liabilities of previous years (PLN 3.8 m)
- ◆ Net profit up by 8.7% yoy, EBITDA up by 14.0% yoy

Financial Market: The Driver of GPW Group Revenue in Q1 2017

Trading revenue – financial market

PLN m

Q1'17: 42.7%



- Trading revenue on the financial market PLN 38.9 m – highest since Q1'14
- Fee on Market Maker transactions in non-WIG20 stocks reduced to 0
- Average turnover in shares per session in Q1'17 – PLN 1.041 bn vs. PLN 892.3 mn in Q4'16 and PLN 729.7 mn in Q1'16
- Average transaction fee on the stock market in Q1'17: 2.10 bps

Investor activity on GPW markets

	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17
Shares – value of trade (EOB, PLN bn)	44.5	40.8	48.8	55.3	66.7
					+49.3% yoy +18.0% qoq
Futures and options – volume of trade (mn contracts)	1.9	2	1.9	2.2	2.2
					+15.5% yoy +2.7% qoq
Treasury bonds – TBSP, cash transactions (PLN bn)	63.4	58.5	63.4	69.2	61.1
					-3.6% yoy -11.7% qoq
Treasury bonds – TBSP, conditional transactions (PLN bn)	21.0	33.2	58.2	45.9	71.5
					+240.1% yoy

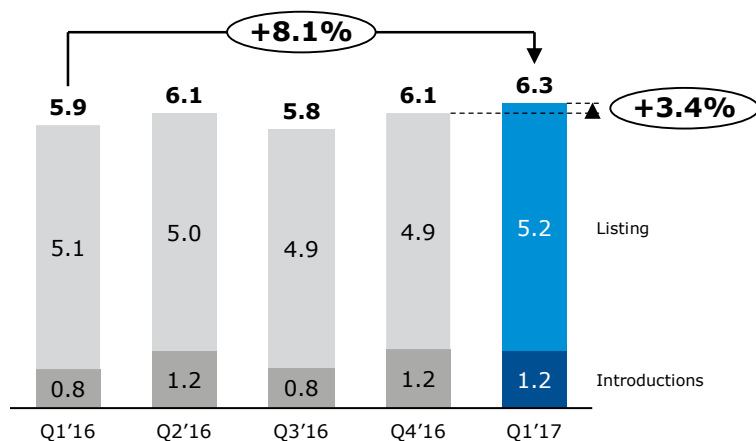
¹ Debt instruments, other cash market instruments, other fees paid by market participants

Stable Listing Revenue

Listing revenue

PLN m

Q1'17: 7.0%



- ◆ Total value of IPOs and SPOs in Q1'17 at PLN 56.7 bn (including Unicredit S.p.A - PLN 55.9 bn)
- ◆ Capitalisation of domestic companies in Q1'17 at PLN 621.3 bn vs. PLN 557.1 bn in Q4'16 and PLN 543.7 bn in Q1'16
- ◆ Stable revenue from listing fees

Issuer activity

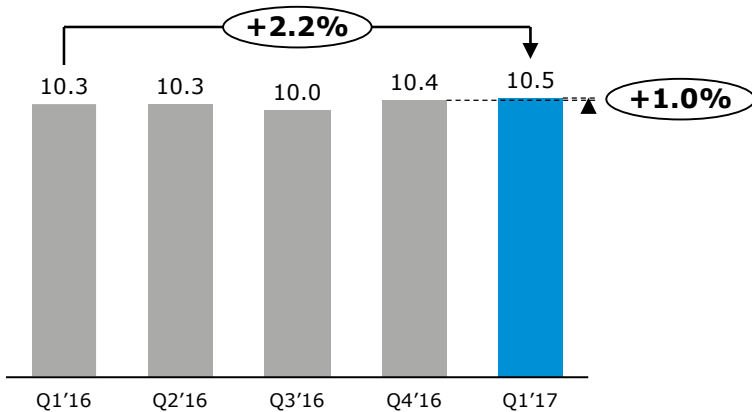
Q1'16	Q2'16	Q3'16	Q4'16	Q1'17
Number of IPOs on the Main Market				
2	7	4	6	3
				+50.0% yoy
				-50.0% qoq
Capitalisation of domestic companies (PLN bn)				
543.7	496.1	515.7	557.1	621.3
				+14.3% yoy
				+11.5% qoq
Value of IPOs (PLN mn)				
73	394	0	629	99
				+35.6% yoy

Uptrend in Revenue from Information Services

Revenue from information services

PLN m

Q1'17: 11.6%



- ◆ New contracts with clients in different market segments
 - ✓ 4 non-display clients
 - ✓ 1 data vendor
 - ✓ 1 index licensee
- ◆ Continued increase in the number of subscribers for data from GPW

Data vendors, subscribers and non-display clients

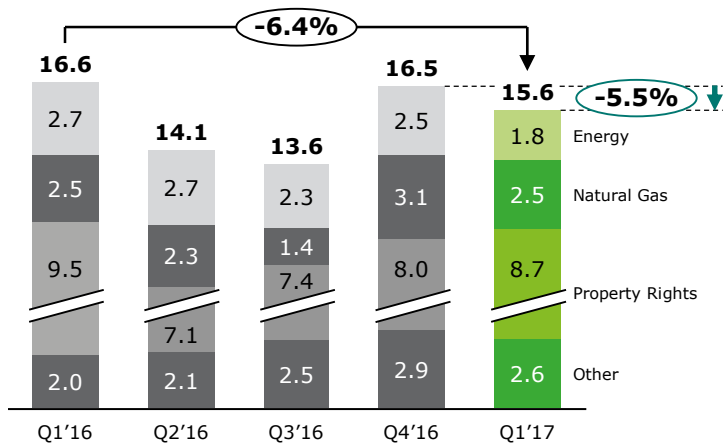
Q1'16	Q2'16	Q3'16	Q4'16	Q1'17
Number of subscribers (thou.)				
224.2	222.3	222	224.6	231,4 +4.8% yoy +4.6% qoq
Number of data vendors				
52	51	52	51	51
Non-display				
29	35	37	43	48

Trade on the Commodity Market Impacted by Regulations

Trading revenue – commodity market

PLN m

Q1'17: 17.1%



- ◆ Decrease in revenue from trade in gas and electricity driven by falling volumes
 - ✓ Volume of trade in electricity: -35.4% yoy and -29.7% qoq
 - ✓ Volume of trade in gas: +1.7% yoy and -17.9% qoq
- ◆ Increase of revenue from trade in property rights qoq driven by rising turnover in cogeneration certificates (+100% qoq) and green certificates (+22.4% qoq)

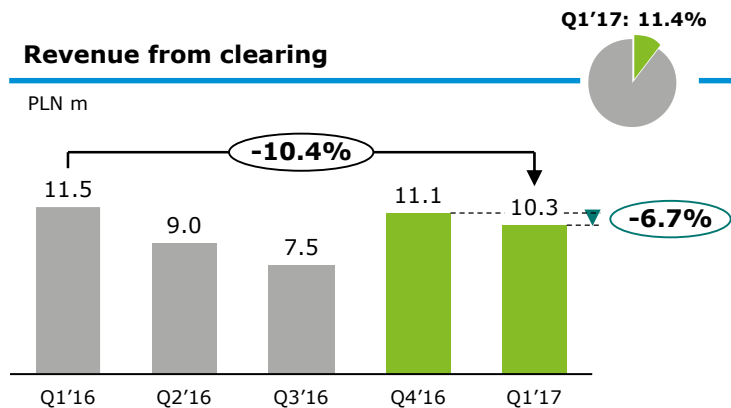
Investor activity on the commodity market

	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17
Electricity – volume of trade (TWh)	33.3	33.0	29.6	30.6	21.5
					-35.4% yoy -29.7% qoq
Natural gas – volume of trade (TWh)	30.2	29.1	17.9	37.4	30.7
					+1.7% yoy -17.9% qoq
Property rights – volume of trade (TWh)	16.7	14.4	9.2	10.1	16.1
					-4.2% yoy +59.4% qoq

Record-high Revenue from the Operation of the Register of Certificates of Origin

Revenue from clearing

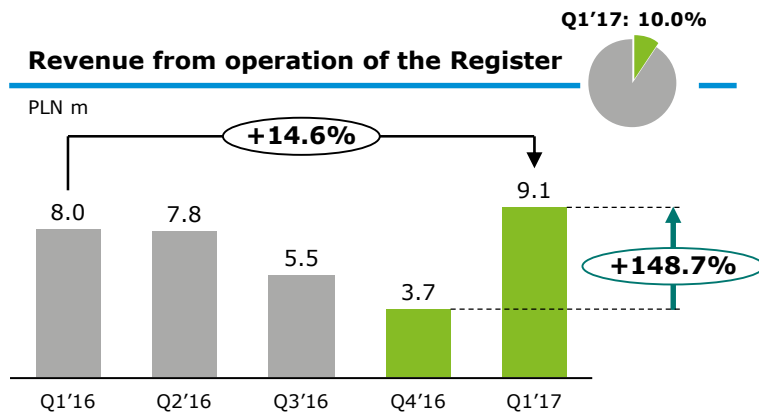
PLN m



- ◆ Decrease of revenue from clearing due to lower volumes of trade in the electricity market
- ◆ Record-high revenue from the operation of the Register of Certificates of Origin driven by additional activity of register members including issuance and cancellations (especially green certificates)

Revenue from operation of the Register

PLN m

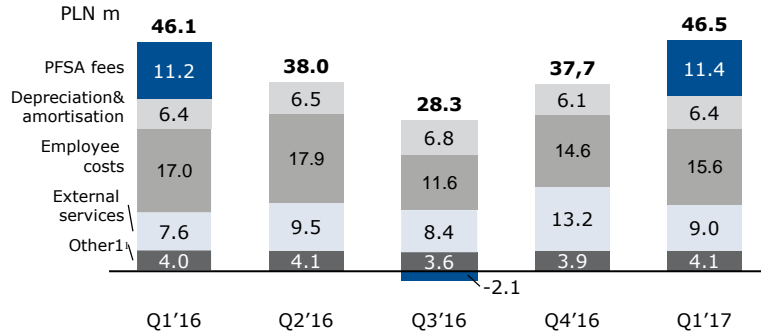


Activity of participants of the Register of Certificates of Origin

Q1'16	Q2'16	Q3'16	Q4'16	Q1'17
Volume of issued property rights (TWh)				
16.7	9.6	12.4	8.7	16.6
-0.6% yoy				
+90.8% qoq				
Volume of cancelled property rights (TWh)				
9.7	32.6	0.6	0	18.3
+88.7% yoy				

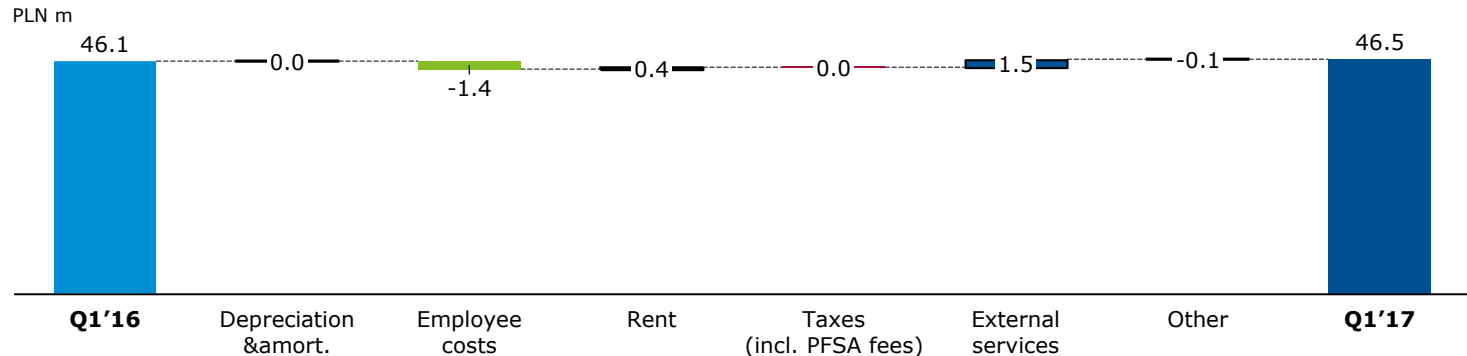
Operating Expenses Impacted by One-offs

Operating expenses: +23.3% qoq and +0.9% yoy



- ♦ Fees paid by GPW Group for supervision of the capital market (PFSA) ca. PLN 11.4 m (GPW's estimate, actual payment in Q3)
- ♦ Donation to the Polish National Foundation – PLN 3 m (other expenses)
- ♦ Increase of financial expenses due to the Tax Office correction of the interest rate used by TGE for tax liabilities of previous years (PLN 3.8 m)
- ♦ Increase of the cost of advisory services mainly related to changes of TGE's tax policy and the CCP project (PLN 0.4 m)
- ♦ Increase of the cost of maintenance of IT systems in TGE Group mainly due to the implementation of new trading and clearing systems and the cost of the PCR project (PLN 0.7 m)
- ♦ Cost/income ratio² in Q1'17: 51.1% vs 56.9% in Q1'16

Change in operating expenses

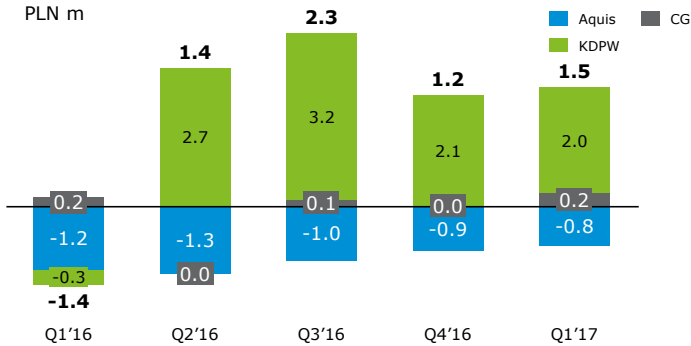


¹ Other includes rent, fees and charges (net of the PFSA fees), and other operating expenses

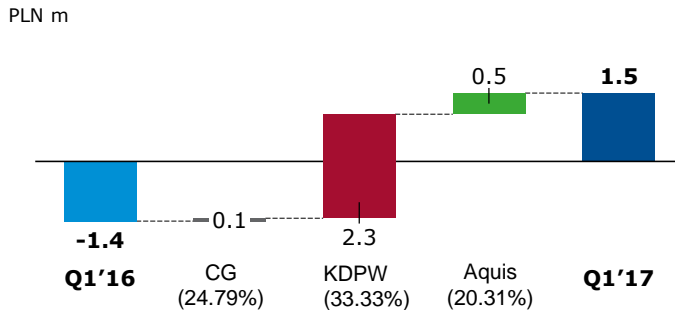
² C/I based on reported data

Profit of Associates

Share of profit of associates



Change of share of profit of associates



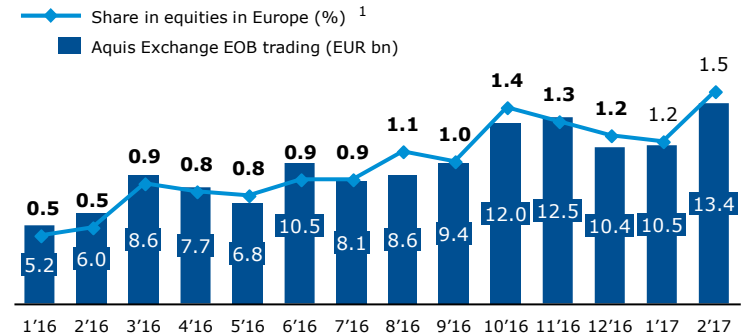
Profit of the KDPW Group:

- ✓ higher cost due to one-off recognition of PFSA fees in Q1'17

Aquis Exchange:

- ✓ share in the European equity trade market at more than 1.5% as at 28 February 2017
- ✓ 5 new Exchange Members in Q1'17

Turnover on Aquis Exchange



¹ Source: FESE

GPW Group's Consolidated Balance Sheet



	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
Non-current assets	577 028	579 574	584 694	597 287	597 334
Tangible fixed assets	122 252	121 539	119 554	119 130	116 716
Intangible fixed assets	259 870	258 057	262 401	273 815	272 490
Investments in associates	187 221	191 412	196 025	197 231	198 577
Current assets	583 701	602 030	524 879	560 561	592 548
Trade and other receivables	99 202	99 965	100 579	113 262	165 243
Available-for-sale financial assets	0	0	0	0	0
Cash and cash equivalents	483 935	501 758	423 933	446 814	426 686
Total assets	1 160 729	1 181 604	1 109 573	1 157 848	1 189 882
Equity	738 734	672 818	712 325	745 252	772 849
Non-current liabilities	134 571	137 632	137 504	143 422	258 516
Debt securities	123 606	123 669	123 733	123 459	243 281
Other non-current liabilities	0	2 224	2 224	2 224	2 224
Current liabilities	287 424	371 154	259 744	269 174	158 517
Trade payables	6 182	6 288	2 841	6 387	6 199
Debt securities	122 881	121 047	123 002	122 882	2 069
Loans and borrowings	0	0	0	0	59 798
Dividends and other liabilities	102 387	190 795	101 248	108 098	29 350
Total equity and liabilities	1 160 729	1 181 604	1 109 573	1 157 848	1 189 882

- ♦ decrease of current liabilities under outstanding bonds following redemption of series A and B bonds on 2 January 2017 and increase of non-current liabilities under outstanding bonds following issue of series D and E bonds
- ♦ increase of current liabilities in respect of loans – loan taken by POPX to pay VAT liabilities (PLN 59.7 m)
- ♦ increase of accruals and deferred income: annual fees paid by issuers are booked in Q1 and recognised over time
- ♦ decrease of other liabilities – payment of TGE liabilities following changes to the tax policy for certain services as of 1 January 2017 and a related VAT correction for the period from December 2011 to December 2016 (PLN 69.7 m)

Annex: Back-up Slides

GPW Group's Consolidated Profit & Loss Account



PLN mn	Q1'16	Q4'16	Q1'17
Revenue	81,0	81,7	91,0
Financial market	44,5	49,8	55,7
Trading	28,3	33,2	38,8
Listing	5,9	6,1	6,3
Information services	10,3	10,4	10,5
Commodity market	36,1	31,2	35,0
Trading	16,6	16,5	15,6
Register of Certificates of Origin	8,0	3,7	9,1
Clearing	11,5	11,1	10,3
Other operating income	0,4	0,7	0,3
Operating expenses	46,1	37,7	46,5
Other income	7,6	13,2	9,0
Other expenses	0,6	3,6	4,4
Operating profit	34,7	41,4	40,4
Financial income	2,0	2,3	1,4
Financial expenses	3,0	3,2	7,6
Share of profit of associates	-1,4	1,2	1,5
Profit before income tax	32,3	41,7	35,8
Income tax	6,8	8,8	8,0
Net profit	25,5	33,0	27,7

- ◆ Other expenses – donation to the Polish National Foundation (PLN 3.0 m)
- ◆ Financial expenses – in April 2017, Tax Office correction of the interest rate used by TGE for tax liabilities from previous years (PLN 3.8 m)

GPW Group's Consolidated Cash Flows



3m ended on 31 March

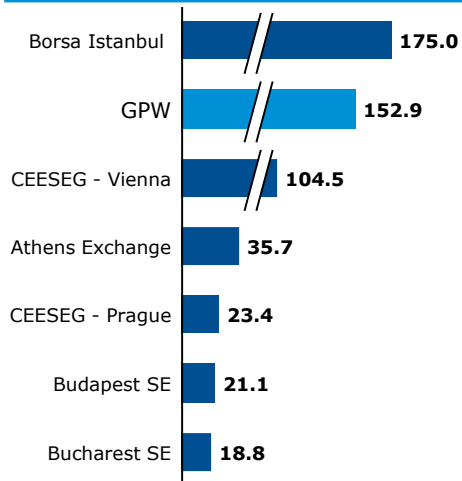
PLN mn	2015	2016
Cash flows from operating activities, including among others:	123.8	-60.4
Cash flows from operating activities	131.9	-38.1
Net profit of the period	25.5	27.7
Adjustments:	106.3	-65.8
Income tax	6.8	8.0
Depreciation of property, plant and equipment	6.4	6.4
Interest income on deposits	-1.7	-1.4
Interest and premium on bond issue	2.0	1.6
Share of profit of associates	1.3	-1.5
Change in current assets and liabilities	90.8	-78.8
Decrease of trade and other receivables	32.3	-52.0
Increase / decrease of other liabilities	30.9	-58.9
Income tax expense	-8.1	-17.7
Cash flows from investing activities, including among others:	0.1	-11.2
Purchase of property, plant and equipment	-1.4	-4.7
Purchase of intangible assets	-0.5	-7.9
Sale of available-for-sale financial assets	0.0	0.0
Purchase of associates	0.0	0.0
Interest received	1.7	1.4
Cash flows from financing activities, including among others:	0.0	57.1
Dividend paid and company social fund	0.0	0.0
Interest paid	0.0	-2.0
Proceeds from bond issue	0.0	120.0
Buy-back of bonds issued	0.0	0.0
Increase/decrease of net cash and cash equivalents	123.9	-20.4
Cash and cash equivalents - opening balance	360.4	446.8
Cash and cash equivalents - closing balance	483.9	426.7

- ◆ Outflows due to the redemption of series A and B bonds (PLN 120 m) and inflows from the issue of series D and E bonds (PLN 120 m)
- ◆ Inflows from a loan taken by TGE from DNB Bank Polska S.A. to pay VAT liabilities (PLN 59.7 m)

GPW v. Other European Exchanges

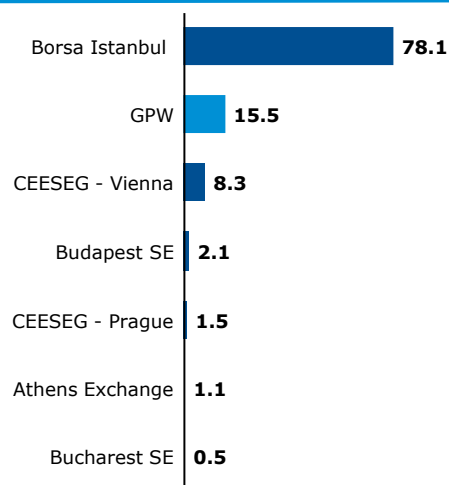


Capitalisation



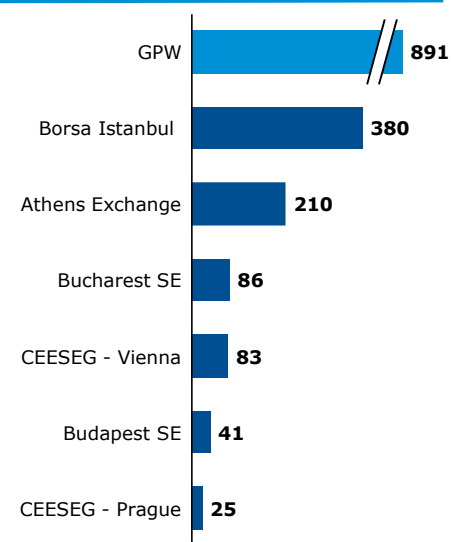
EUR bn

Value of equity trade, EOB¹



EUR bn

Number of listed companies²

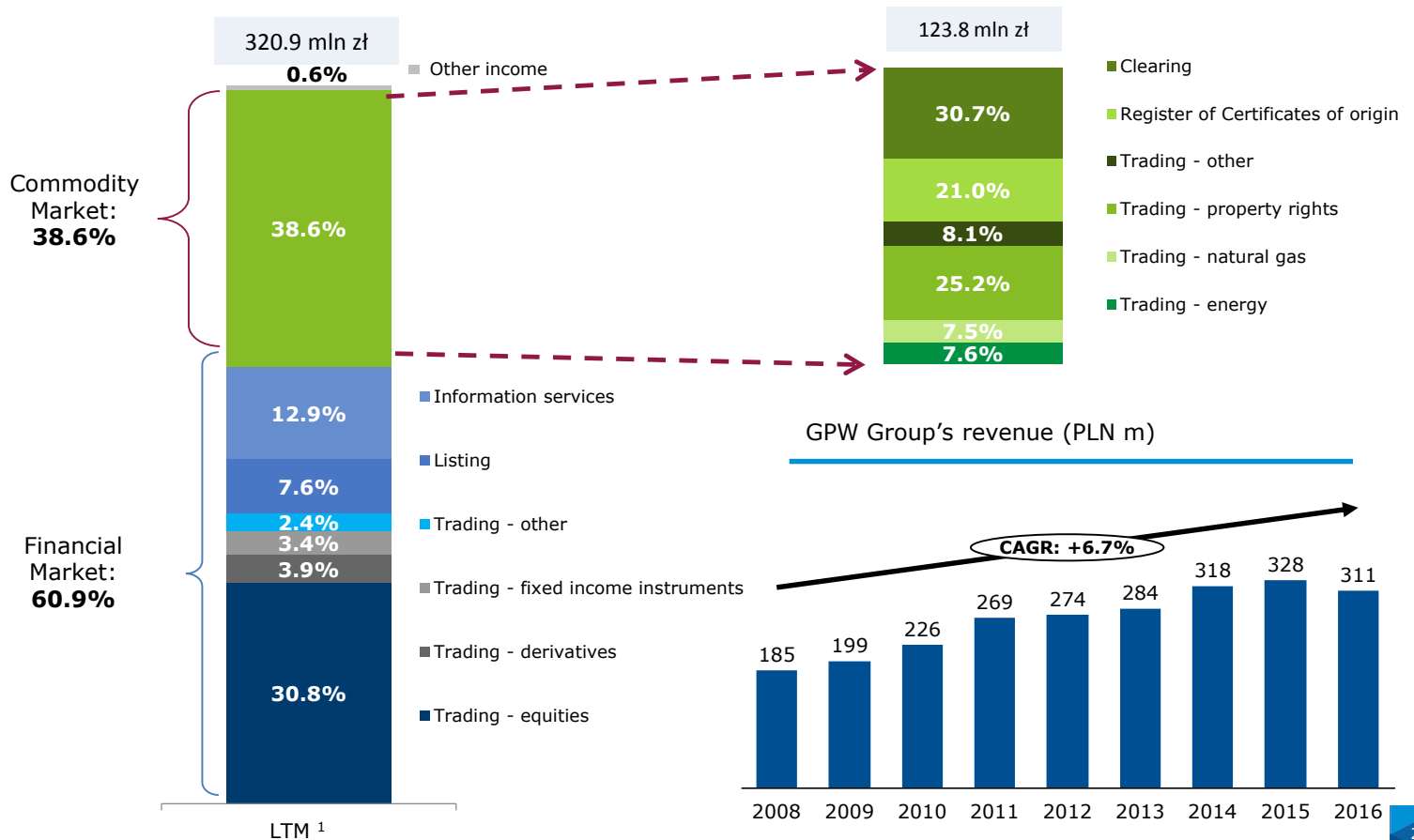


¹ EOB – Electronic Order Book, as at 31 March 2017.

² As at 28 February 2017

Source: FESE, March 2017

GPW Group's Revenue Structure



¹ Last 12 months ended 31 March 2017

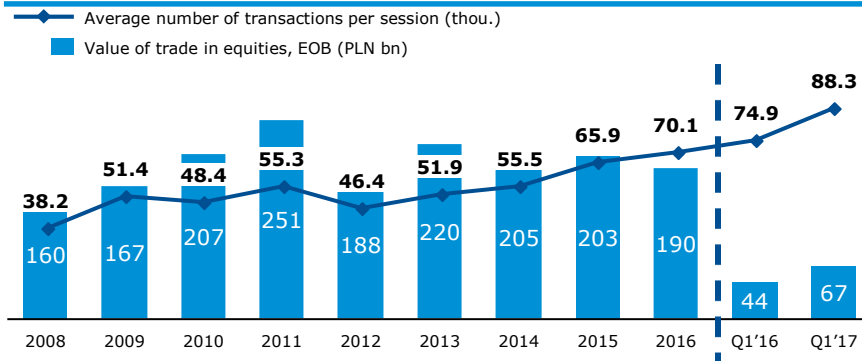


33.2%¹

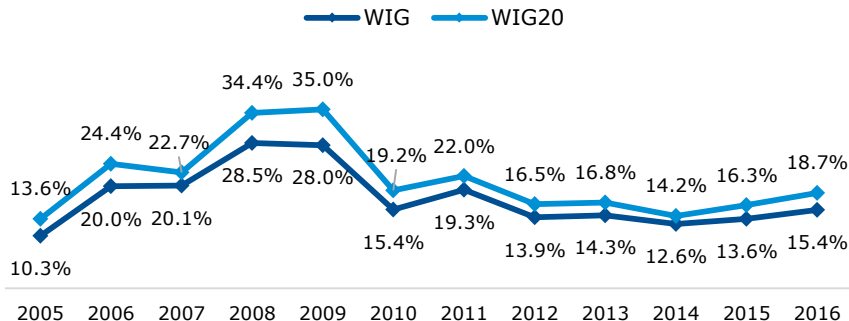
◆ Revenue drivers:

- ✓ Value of trade in equities
- ✓ Structure of orders (small, large, mid-sized)

Value of trade in equities and number of transactions



Velocity ratio and volatility - equity market



¹ Share in GPW Group's revenue in Q1'17

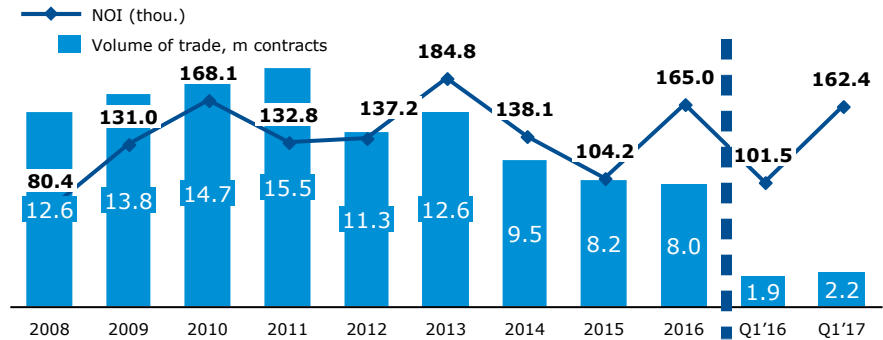


3.8%²

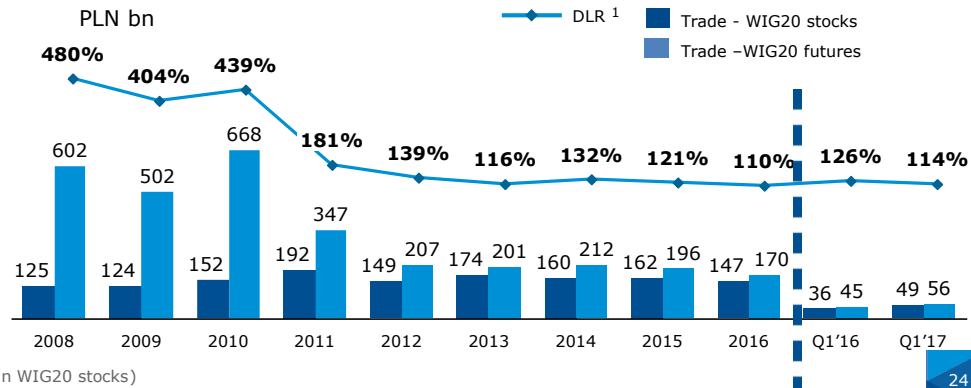
◆ Revenue drivers:

- ✓ Volume of trade in futures
- ✓ Number of open interest
- ✓ Volatility

Volume of trade in derivatives



Volume of trade in futures v. volatility



¹ Velocity ratio (value of trade in WIG20 futures to value of trade in WIG20 stocks)

² Share in GPW Group's revenue in Q1'17

Financial Market: Other Instruments and Fees Paid by Participants



3.5%¹

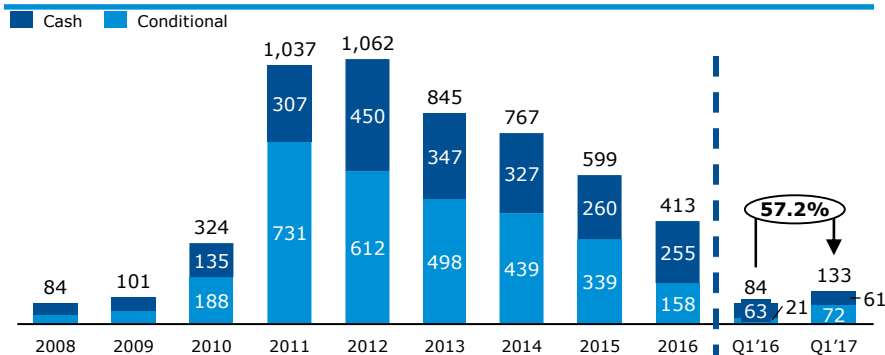


2.1%²

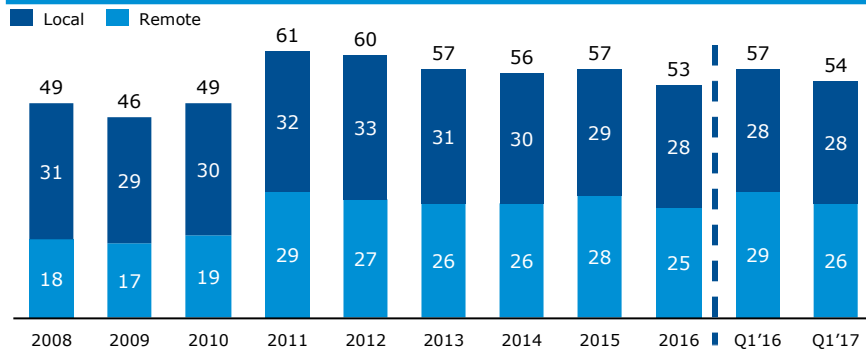
◆ Revenue drivers:

- ✓ Value of trade in Treasury bonds
- ✓ Number of exchange members

Value of trade on Treasury BondSpot Poland, PLN bn



Number of exchange members



¹ Share in GPW Group's revenue in Q1'17, trade in debt instruments

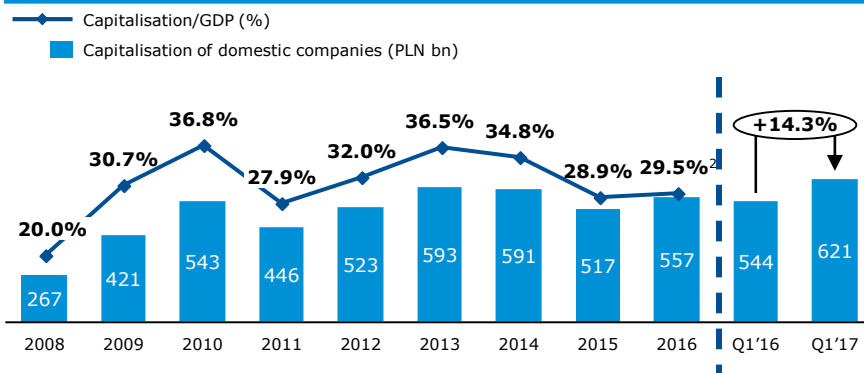
² Share in GPW Group's revenue in Q1'17, fees paid by market participants

7.0%¹

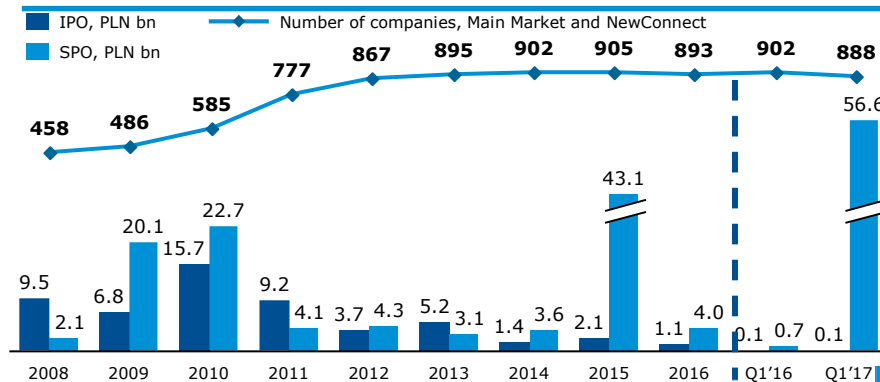
◆ Revenue drivers:

- ✓ Capitalisation at YE
- ✓ Value of new issue shares and bonds
- ✓ Number of issuers

Capitalisation of domestic companies



IPO/SPO value and number of companies



¹ Share in GPW Group's revenue in Q1'17

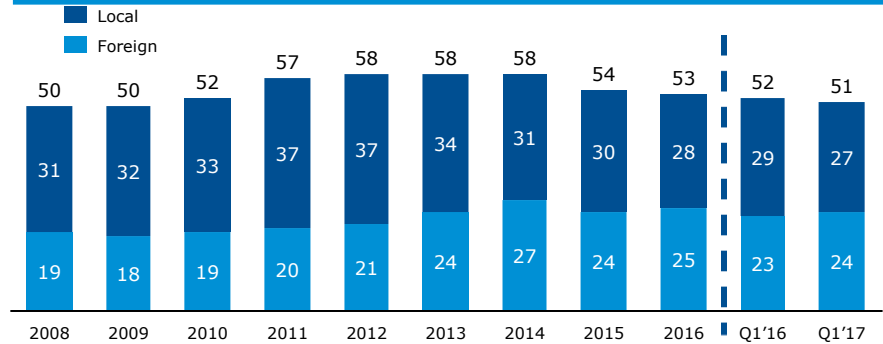
² Source: based on NBP projections



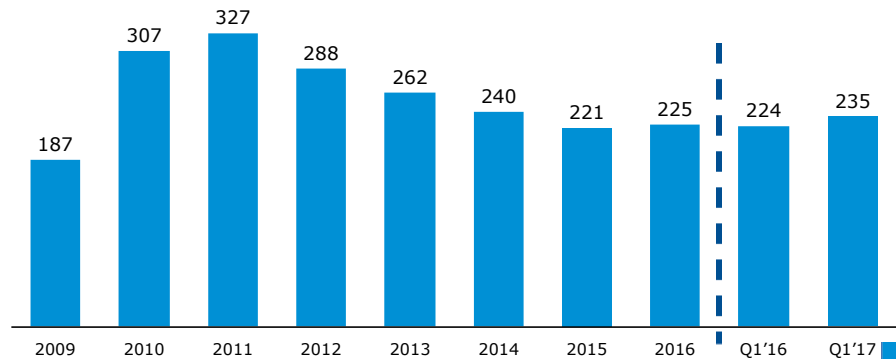
11.6%¹

- ◆ Revenue drivers:
 - ✓ Number of data vendors
 - ✓ Number of subscribers

Number of data vendors



Number of subscribers (thou.)



¹ Share in GPW Group's revenue in Q1'17

Commodity Market: Trade in Electricity and Gas

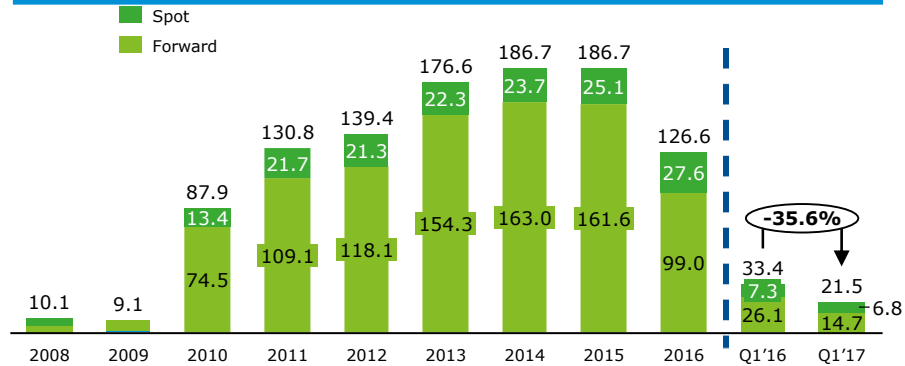


4.8%²

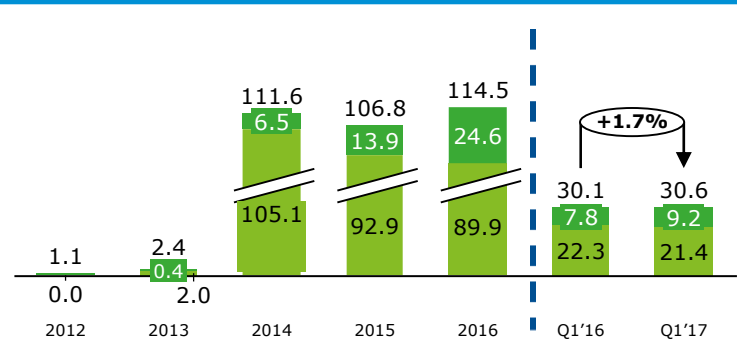
◆ Revenue drivers:

- ✓ Volume of trade in electricity
- ✓ Volume of trade in gas
- ✓ Share of spot and forward trade

Volume of trade in electricity (TWh)¹



Volume of trade in gas (TWh)



¹ Data for 2006-2013 include trade on the GPW Energy Market poee

² Share in GPW Group's revenue in Q1'17

Commodity Market: Trade in Property Rights

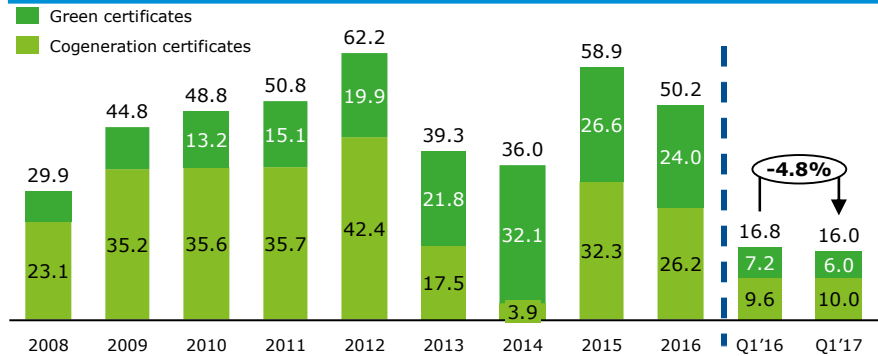


9.5%¹

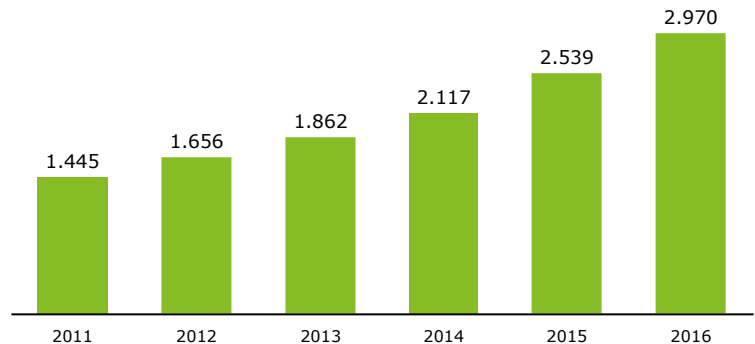
◆ Revenue drivers:

- ✓ Volume of trade in property rights
- ✓ Share of certificate categories in trade
- ✓ Number of register participants

Trade in property rights (TWh)



Number of participants of the Register of Certificates of Origin



¹ Share in GPW Group's revenue in Q1'17

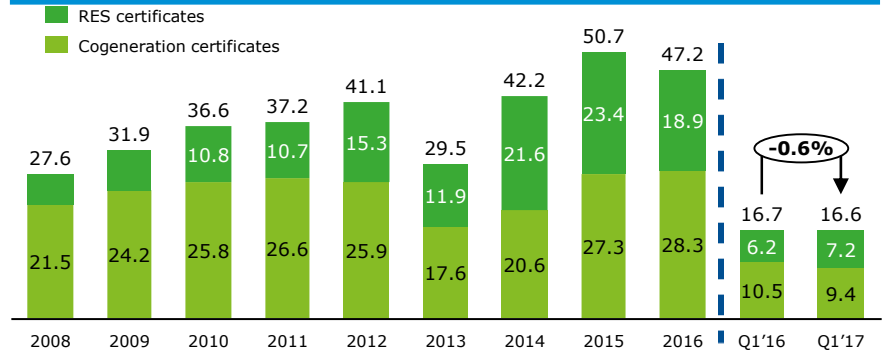


10.0%¹

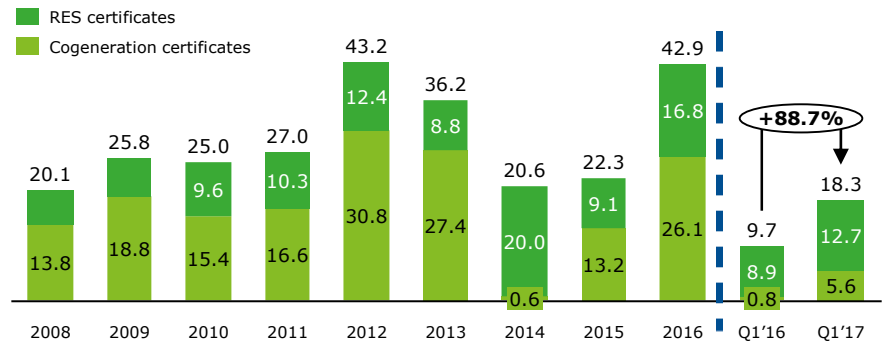
◆ Revenue drivers:

- ✓ Volume of issued property rights
- ✓ Volume of cancelled property rights

Volume of issued certificates of origin (TWh)



Volume of cancelled certificates of origin (TWh)



¹ Share in GPW Group's revenue in Q1'17

IR events

- ◆ **27 July 2017**
Publication of GPW Group's Consolidated Interim Report for H1 2017

- ◆ **30 October 2017**
Publication of GPW Group's Consolidated Interim Report for Q3 2017

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