



GPW Group Financial Results Q2 2016

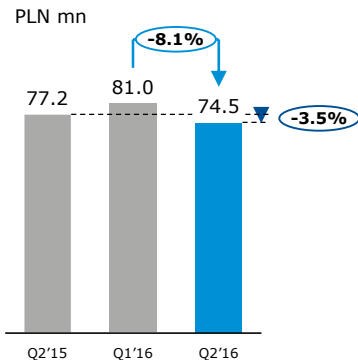
29 July 2016

Summary of GPW Group Activities in Q2 2016

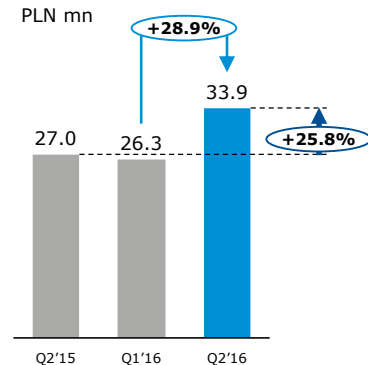
GPW Group Financial Results Q2 2016

Q2 2016: improving profitability¹

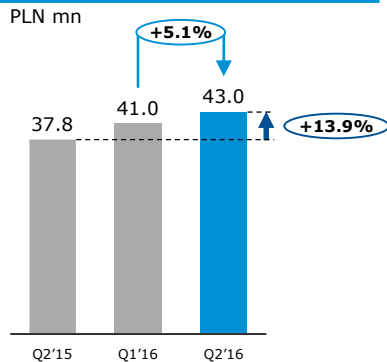
Revenue



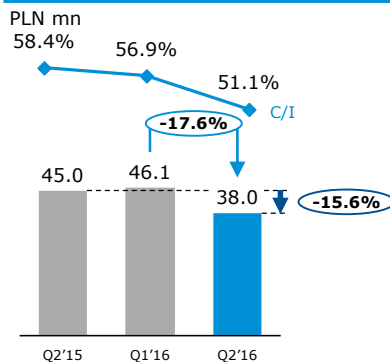
Net profit



EBITDA



Operating expenses



Q2 2016	Reported results	Net results
Net profit margin	45.6%	39.1%
EBITDA margin	57.8%	56.0%
Net profit	PLN 33.9 mn	PLN 29,1 mn
Operating expenses	PLN 38.0 mn	PLN 39.3 mn
EBITDA	PLN 43.0 mn	PLN 41.7 mn

◆ One-off events

- ✓ From 2016, changed model of financing and method of booking the fees due to PFSA
- ✓ Positive revaluation of interest in Aquis in Q2 2015 and in Q2 2016
- ✓ Reorganisation severance pay provisions in Q2 2016

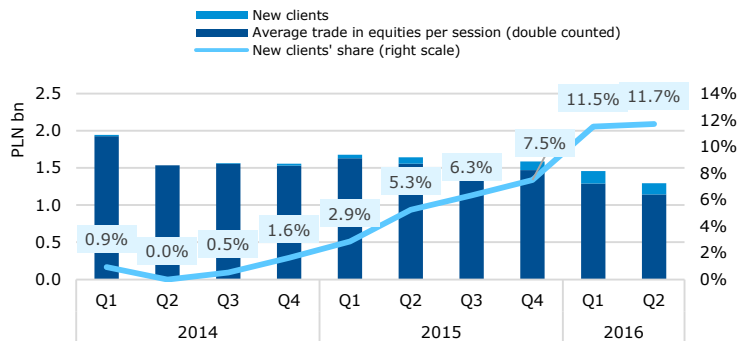
◆ Strict cost discipline

- ✓ Cost/income ratio at 51.1% vs 58.4% in Q2 2015

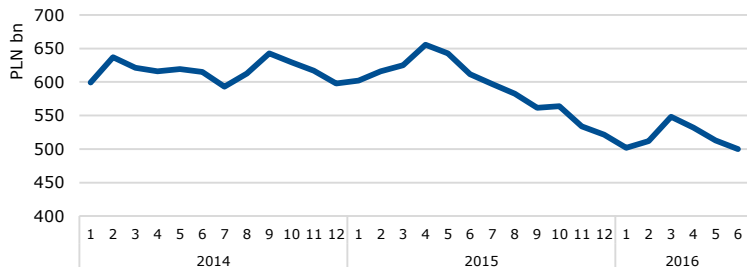
¹ The figures present reported results (before netting of one-offs)

New clients partly offset lower activity of other investor groups

Activity of new GPW clients on the equity market



Capitalisation of domestic companies continues to fall



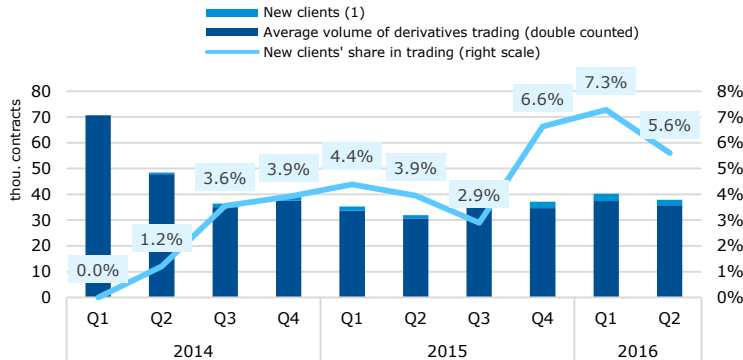
- ◆ Decrease of trading in equities in Q2 2016 by 18.5% YoY reflecting decrease of average² capitalisation by 19.1%
- ◆ Lower activity of domestic and international 'portfolio' investors
- ◆ Growing turnover of new proprietary traders:
 - ✓ total value of generated turnover: PLN 18.3 bn in H1 2016 vs PLN 21 bn in all of 2015
 - ✓ participants of liquidity support programmes are major non-display data clients
 - ✓ promising client pipeline
- ◆ New exchange member: Q-Securities
- ◆ Start of operation of GPW Member SPIRE – leading electronic liquidity supplier on global markets
- ◆ 1 July 2016: launch of a new reduction of fees for GPW clients responsible for building up liquidity (market makers and HVP programme participants) – maker/taker price list

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

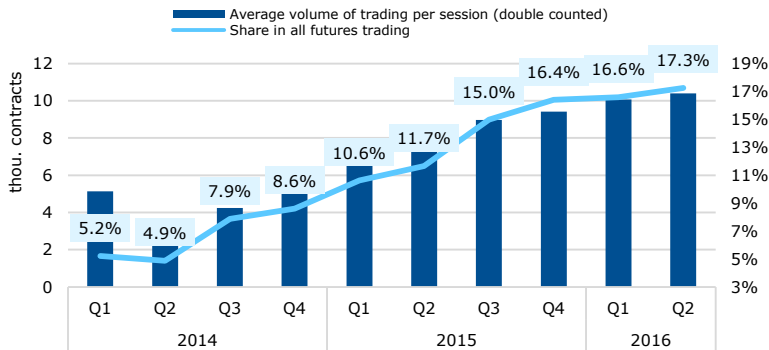
² Capitalisation of domestic companies at month's end

Growing volumes on the futures markets

Activity of new GPW clients on the WIG20 futures market



Record-high interest in single-stock futures

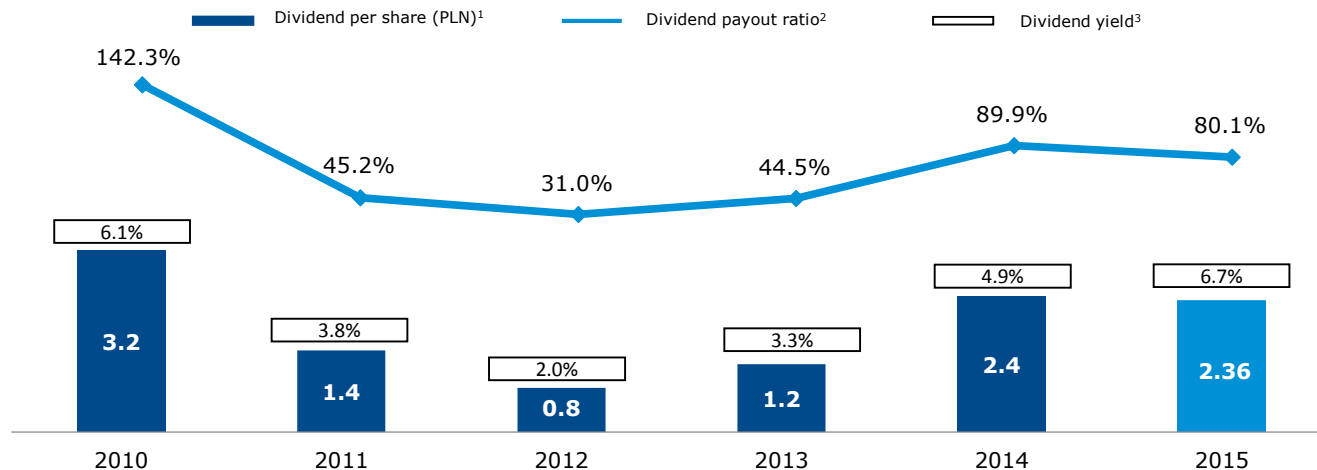


- ◆ Volume of trade in WIG20 futures in Q2 2016 (1.20 mn contracts): one of the highest since Q2 2014 (1.48 mn contracts)
- ◆ Record-high volume of trade in single-stock futures in Q2 2016: 328 thou. contracts vs quarterly average in 2015: 258 thou. contracts
- ◆ Start of operation of ABN AMRO Clearing
- ◆ Growing turnover of new proprietary traders¹
 - ✓ generated volume of trade: 370 thou. contracts in H1 2016 vs 452 thou. contracts in all of 2015 (all types of contracts)
 - ✓ in addition to WIG20 futures, active trading in mWIG40 futures and single-stock futures
 - ✓ promising client pipeline

¹ Participants of liquidity support programmes (HVP and HVF)

Dividend policy still attractive

GPW's attractive dividend continues



DIVIDEND POLICY:

to pay out over 60% of consolidated net profit of GPW Group for the financial year attributable to GPW shareholders, adjusted for the share of profit of associates

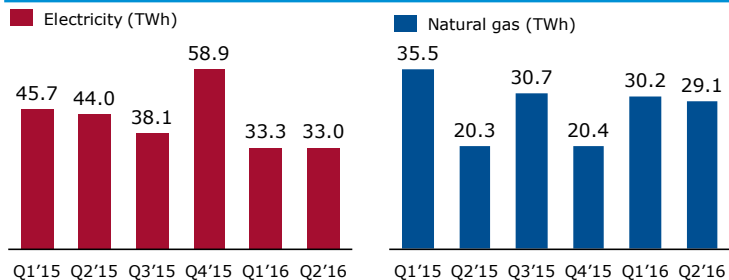
¹ By financial year for which dividend was paid

² Based on the consolidated profit attributable to the shareholders of the parent entity

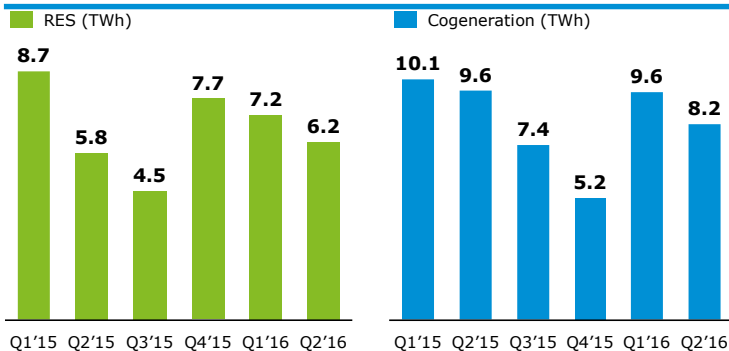
³ Based on the share price as at the dividend record date

Commodity market in Q2 2016

Volumes of spot and forward trade in electricity and gas



Volume of trade in property rights



- ◆ Electricity forward market: aversion against contracts with delivery in 2017 and 2018
 - ✓ uncertainty about energy prices (coal prices, RES auction volumes, power market project)
- ◆ MIFID II impacting the PoIPX exchange market: market consultations about the future of forward trade
- ◆ New PoIPX market maker: Polenergia Obrót
- ◆ The obligation to cancel certificates of origin extended until end of June: major impact on growth in volumes in the register of certificates of origin in Q2
- ◆ Forwards in green certificates of origin first cleared in Q2 2016 (offered by PoIPX since Q1 2016)
- ◆ Preparing to launch a new instrument in electricity produced from agricultural biogas: PMOZE-BIO
- ◆ WCCCH: implementation of a new clearing system Nasdaq X-Stream
- ◆ InfoEngine – first OTC transactions in gas

¹ In 2016, the obligation was partly performed under the previous rules (until the end of Q1) because the RES Act took effect during 2015.

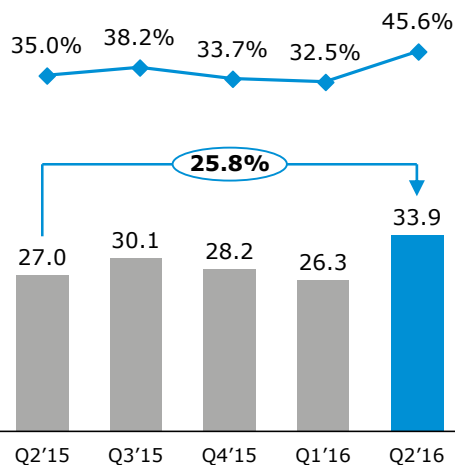
Summary of GPW Group Activities in Q2 2016

GPW Group Financial Results Q2 2016

Solid profitability despite lower revenue

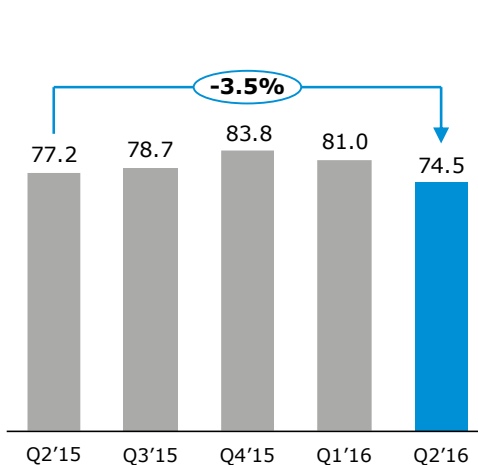
Net profit & net profit margin

PLN mn, %



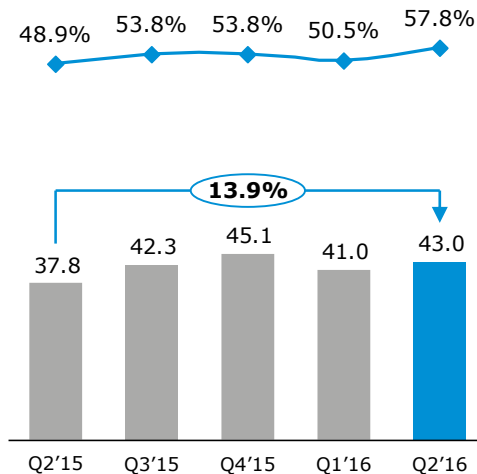
Revenue

PLN mn



EBITDA & EBITDA margin

PLN mn, %



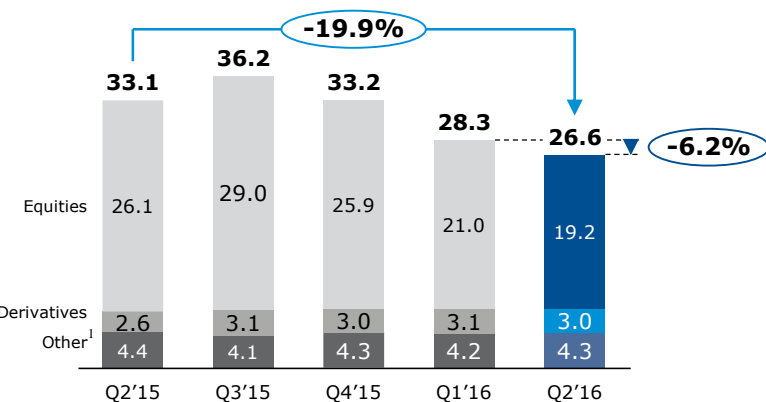
- ◆ Lower revenue due to reduced trading fees and lower trade in equities
- ◆ Major decrease in operating expenses driven by cost discipline and change of the method of booking fees due to the supervision authority (total cost recognised in Q1 2016)
- ◆ Increase of net profit due to revaluation of GPW's interest in Aquis Exchange (+PLN 3.1 mn in financial income in Q2 2016 and +PLN 2.8 mn in Q2 2015)

Trading revenue on the financial market impacted by lower trade in equities and reduced fees

Q2'16: 35.7%

Trading revenue: financial market

PLN mn



- ◆ Further decrease of the average fee on the equities market to 2.22 bps (vs 2.49 bps in all of 2015)
 - ✓ result of GPW's decision to reduce fees from the beginning of 2016
- ◆ Average turnover per trading session at PLN 649 mn in Q2 2016 and PLN 730 mn in Q1 2016

Investor activity on GPW markets

	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16
Equities – value of trade (EOB, PLN bn)	50.1	52.2	49.2	44.5	40.8
					-18.5% YoY -8.3% QoQ
Futures and options – volume of trade (mn contracts)	2.0	2.1	1.9	1.9	2.0
					-1.2% YoY +2.2% QoQ
ObTreasury bonds – TBSP, cash trade (PLN bn)	59.4	50.2	58.5	63.4	58.5
					-1.5% YoY -7.7% QoQ

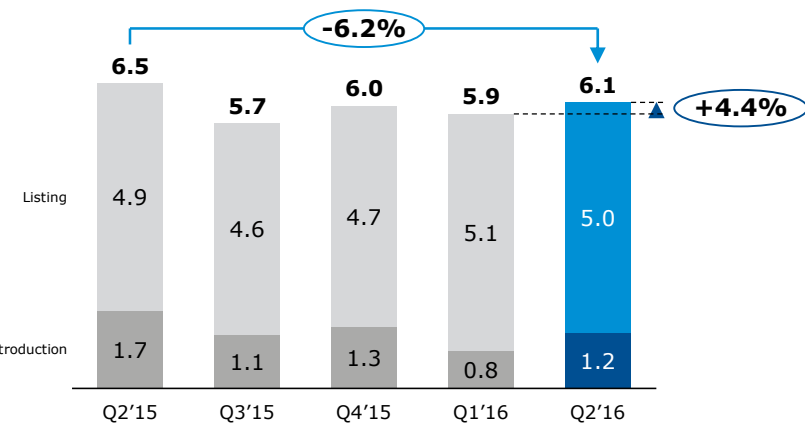
¹ Debt instruments, other cash market instruments, other fees from trading participants

Stable listing revenue

Listing revenue

PLN mn

Q2'16: 8.2%



- ◆ Revenue from listing fees stable YoY despite a decrease in capitalisation of companies (-18.0% YoY)

- ◆ Increase in revenue from fees for introduction and admission QoQ as a result of more ECM activity in Q2 2016

IPO/SPO activity

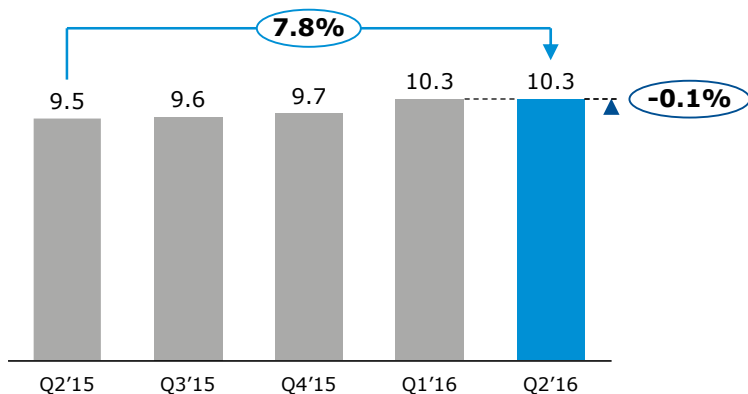
	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16
Number of new listings on the Main Market	8	5	15	2	7
					-12.5% YoY +250.0% QoQ
Capitalisation of domestic companies (PLN bn)	605.2	556.1	516.8	543.7	496.1
					-18.0% YoY -8.8% QoQ
IPO value (PLN mn)	1280	102	578	73	394
					-69.2% YoY +439.7% QoQ

Growing share of revenue from information services in GPW Group's revenue

Revenue from information services

PLN mn

Q2'16: 13.8%



- ◆ Sustained high growth rate of the number of new non-display data contracts: 35 clients at the end of Q2 2016 vs 29 clients in Q1 2016
- ◆ Continued growth in the number of licence indices: 18 entities offered financial products based on GPW indices at the end of Q2 2016

Data vendors, subscribers, and non-display clients

	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16
Number of subscribers (thou.)	238.7	223.1	221.1	224.2	222.3

Number of data vendors and non-display clients

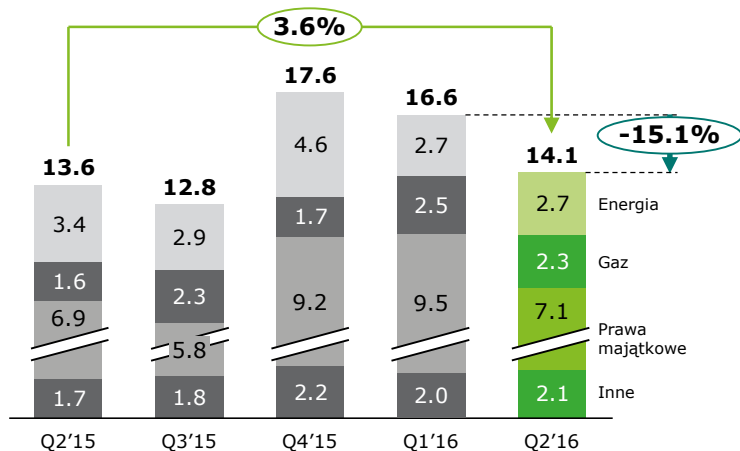
56	56	54	52	51
		non-display	29	35

Growing share of trading revenue in Q2 YoY

Trading revenue: commodity market

PLN mn

Q2'16: 19.0%

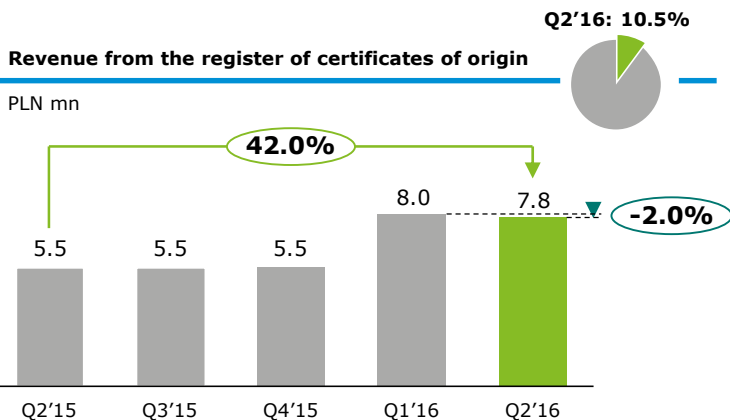


- ◆ Decrease in revenue from trade in electricity (-21.1% YoY) due to decrease in volumes (-27.9% YoY) offset by increase in volumes in gas (+43.0% YoY)
- ◆ Increase in revenue from trade in property rights (+1.8% YoY) despite a general decrease in volumes (-6.95% YoY) due to change in the structure of trade (increase of the share of green certificates YoY)

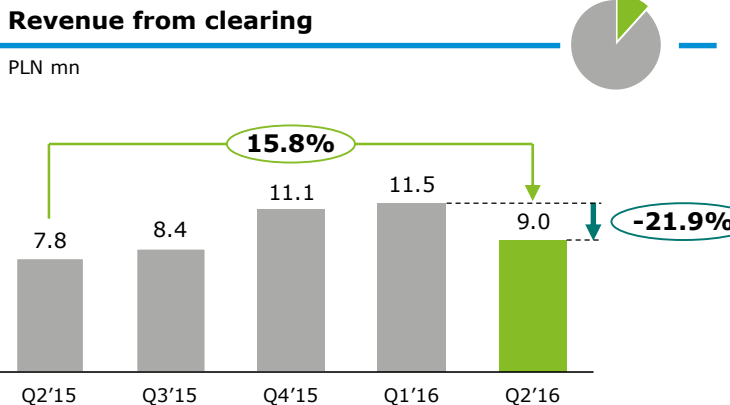
Investor activity on the commodity market

	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16
Electricity – volume of trade (TWh)	44.0	38.1	58.9	33.3	33.0
					-27.9% YoY -0.9% QoQ
Natural gas – volume of trade (TWh)	20.3	30.7	20.4	30.2	29.1
					+43.0% YoY -3.6% QoQ
Property rights – volume of trade (TWh)	15.5	11.9	12.8	16.7	14.4
					-6.9% YoY -13.9% QoQ

Growing activity of register participants YoY



- ◆ Growing revenue and flattened seasonality of the register of certificates of origin with the extended obligation of cancelling certificates by the end of June
- ◆ Growing revenue from clearing YoY due to growing trade in gas

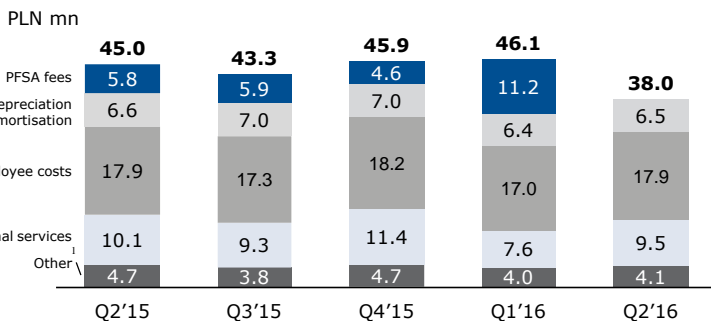


Activity of register participants

	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16
Volume of issued property rights (TWh)	10.8	13.0	9.4	16.7	9.6
					-11.3% YoY -42.5% QoQ
Volume of cancelled certificates of origin (TWh)	7.7	10.4	0.0	9.7	32.6
					+327.0% YoY +236.3% QoQ

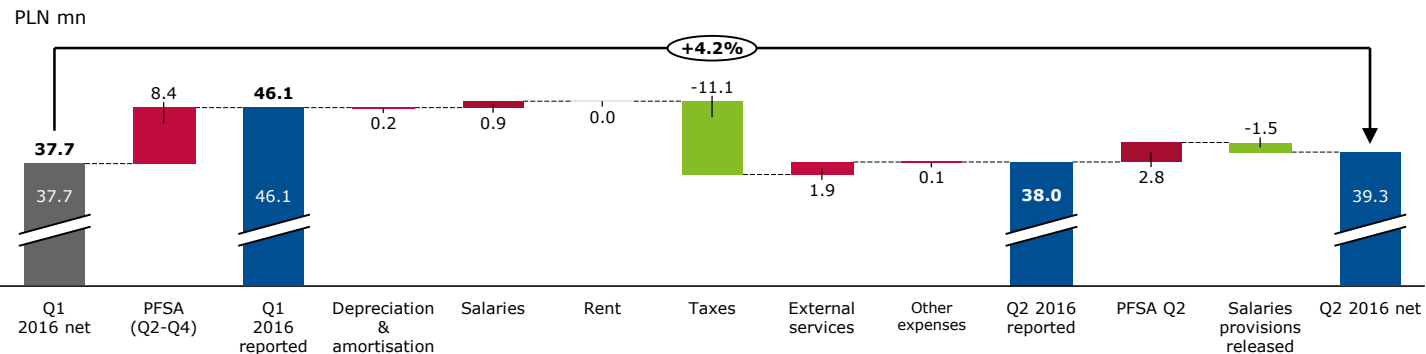
Operating expenses impacted by strict cost regime and changes in booking of supervision fees

Operating expenses



- ◆ No GPW Group fees for capital market supervision (PFSA) following change in rules of booking rules (all fees booked in Q1 2016)
- ◆ Increase of salaries QoQ due to reorganisation expenses (PLN 1.5 mn)
- ◆ Decrease of external service charges YoY due to strict cost discipline
- ◆ Cost/income ratio after 5M 2016: 50.5%² vs 53.2% in all of 2015

Change in operating expenses

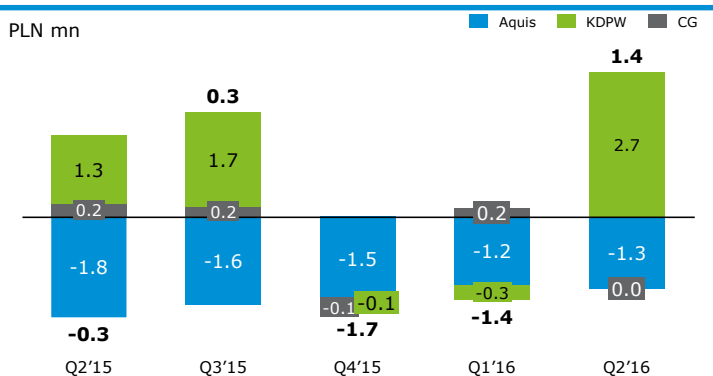


¹ Other includes rent, fees and charges (net of the PFSA fees), and other operating expenses

² C/I presented assuming quarterly booking of PFSA fees in GPW and KDPW in 2016 (similar to 2015)

Share of profit of associates

Share of profit of associates



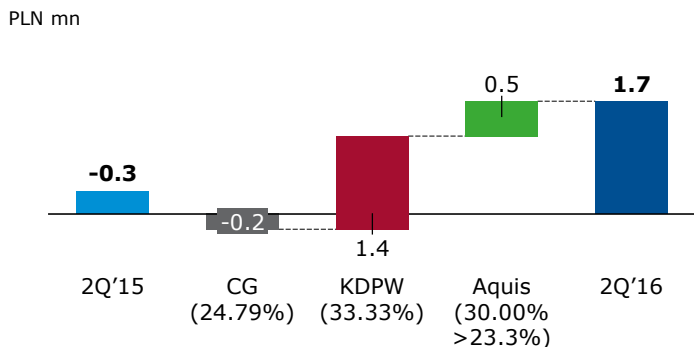
Results of KDPW Group:

- ✓ higher result of KDPW Group in Q2 2016 driven by increase of revenue from one-off fees from corporate actions and change fees for capital market supervision (PFSA) and their booking rules (all fees booked in Q1 2016)

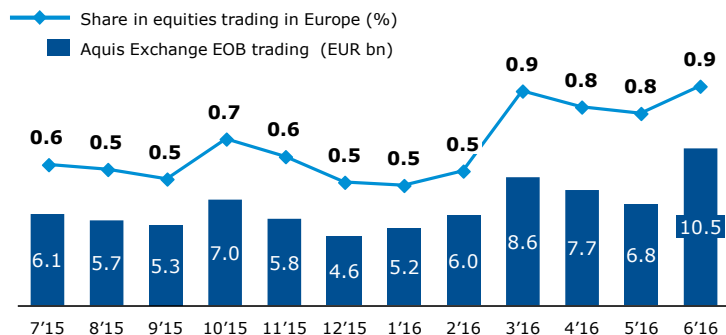
Aquis Exchange:

- ✓ share in European market in equities stable at ~1.0%
- ✓ additional capital raised in Q2 2016 (GPW's interest down to 23.3%, resulting in revaluation of GPW's stake in AE, reflected in financial results) and good pipeline of more investors

Change of share of profit of associates



Turnover on Aquis Exchange¹



¹ Source: FESE

GPW Group's consolidated balance sheet

As of:

PLN mn	30.06.2015	31.03.2016	30.06.2016
Non-current assets , including among others	572.3	577.0	579.6
Property, plant and equipment	112.1	122.3	121.5
Intangible assets	265.6	259.9	258.1
Share of profit of associates	190.1	187.2	191.4
Current assets , including among others	519.7	528.7	542.8
Trade and other receivables	61.4	44.2	40.7
Available-for-sale financial assets	10.6	0.0	0.0
Cash and cash equivalents	446.8	483.9	501.8
Total assets	1,092.0	1,105.7	1,122.4

As of:

PLN mn	30.06.2015	31.03.2016	30.06.2016
Equity	664.0	747.6	682.5
Non-current liabilities	255.2	134.4	137.5
Liability under the bond issue	244.3	123.6	123.7
Current liabilities , including among others	172.7	223.7	302.4
Liability under the bond issue	0.0	122.9	121.0
Prepayments	18.1	39.0	31.0
Dividends and other liabilities	116.7	38.6	122.0
Total equity and liabilities	1,092.0	1,105.7	1,122.4

- ◆ Increase in cash at the end of Q2 2016 driven by generated cash flows from operations and decrease in trade and other receivables
- ◆ Increase of GPW Group's other liabilities due to GPW's planned dividend pay-out at PLN 99.2 mn
- ◆ GPW bonds maturing in January 2017 (PLN 123 mn) moved from non-current to current liabilities, hence current liabilities grew already in Q1 2016
- ◆ Increase in accruals and deferred income as well as prepayments in Q1 2016 due to:
 - ✓ annual fees booked in Q1 of the year (deferred income)
 - ✓ all of the annual fee to PFSA booked in Q1 2016 (prepayments)

Annex – Back-up Slides

GPW Group's Consolidated P&L

PLN mn	Q2 2015	Q1 2016	Q2 2016
Revenue	77.2	81.0	74.5
Financial market	49.2	44.5	43.0
Trading	33.1	28.3	26.6
Listing	6.5	5.9	6.1
Information services	9.5	10.3	10.3
Commodity market	26.9	36.1	30.9
Trading	13.6	16.6	14.1
Register of Certificates of Origin	5.5	8.0	7.8
Clearing	7.8	11.5	9.0
Other operating income	1.1	0.4	0.6
Operating expenses	45.0	46.1	38.0
Other income	0.2	0.2	0.1
Other expenses	1.1	0.6	0.0
Operating profit	31.2	34.6	36.5
Financial income	4.4	2.0	5.2
Financial expenses	2.2	2.1	2.0
Share of profit of associates	-0.3	-1.4	1.4
Profit before income tax	33.1	33.1	41.1
Income tax	6.1	6.8	7.1
Net profit	27.0	26.3	33.9
EBITDA	37.8	41.0	43.0

- ◆ Financial income increased in Q2 2016 due to revaluation of GPW's interest in Aquis Exchange (AE shares issued in June 2016 at a price higher than paid by GPW); first revaluation of GPW's stake in AE in Q2 2015 (+PLN 2.8 mn in financial income)
- ◆ Higher salaries in Q2 2016 due to increase of provisions against employee benefits payable (reorganisation) by PLN 1.5 mn
- ◆ Increase of share in profit of associates in Q2 2016 due to higher KDPW profit, driven among others by change of the method of booking of supervision fees

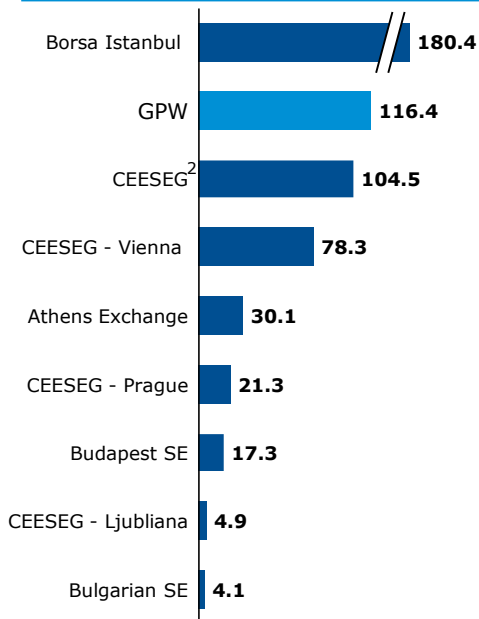
GPW Group's consolidated cash flows

PLN mn	6m ended on 30 June	
	2015	2016
Cash flows from operating activities, including among others:	64.9	147.1
Cash flows from operating activities	66.8	160.1
Net profit of the period	65.4	60.3
Adjustments:	1.4	99.8
Income tax	15.2	13.9
Depreciation of property, plant and equipment	12.8	12.9
Interest income on deposits	-3.0	-3.3
Interest and premium on bond issue	4.2	4.0
Share of profit of associates	0.1	0.0
Change in current assets and liabilities	-23.9	75.5
Decrease of trade and other receivables	-18.8	40.5
Increase / decrease of other liabilities	-20.8	9.7
Income tax expense	-1.9	-13.0
Cash flows from investing activities, including among others:	-3.4	-2.1
Purchase of property, plant and equipment	-2.6	-4.3
Purchase of intangible assets	-4.3	-1.6
Sale of available-for-sale financial assets	0.0	0.0
Purchase of associates	0.0	0.0
Interest received	3.0	3.3
Cash flows from financing activities, including among others:	-4.1	-3.8
Increase/decrease of net cash and cash equivalents	57.4	141.2
Cash and cash equivalents - opening balance	389.0	360.4
Cash and cash equivalents - closing balance	446.8	501.8

- ◆ Increase in cash due to changes in trade and other receivables as well as other liabilities, driven by changes in PolPX Group's VAT liabilities/receivables
- ◆ Group's capital expenditures: PLN 5.9 mn in H1 2016 vs PLN 6.9 mn in H1 2015
- ◆ Significant increase in positive cash flows from operations in H1 2016 YoY decisive to increase in cash flows in 2016

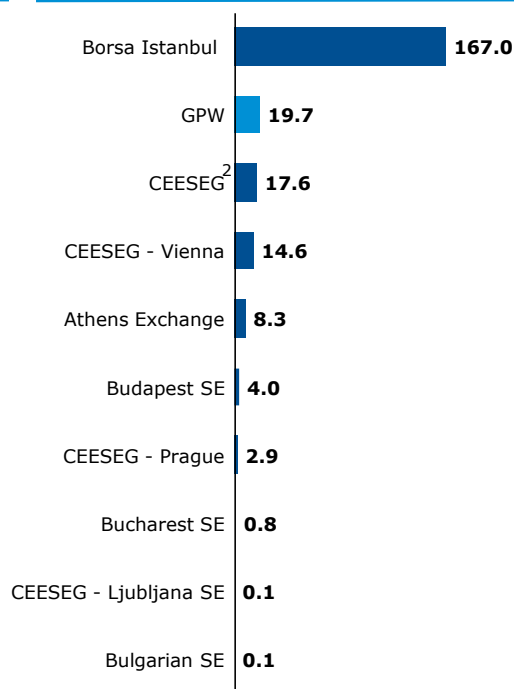
GPW's position vs European exchanges

Capitalisation



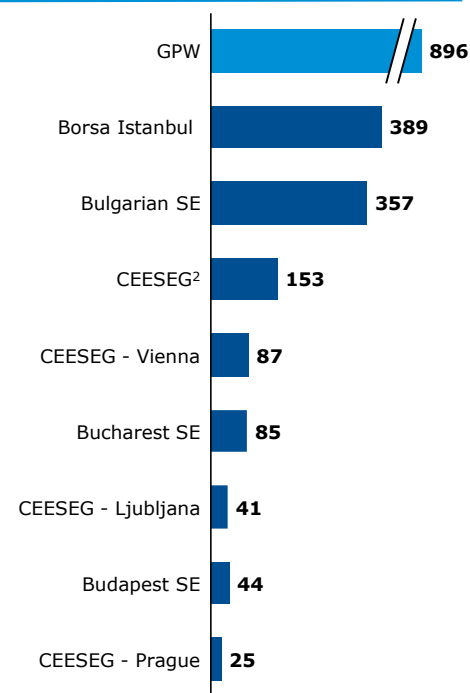
EUR bn

Value of trade in equities, EOB¹



EUR bn

Number of listed companies

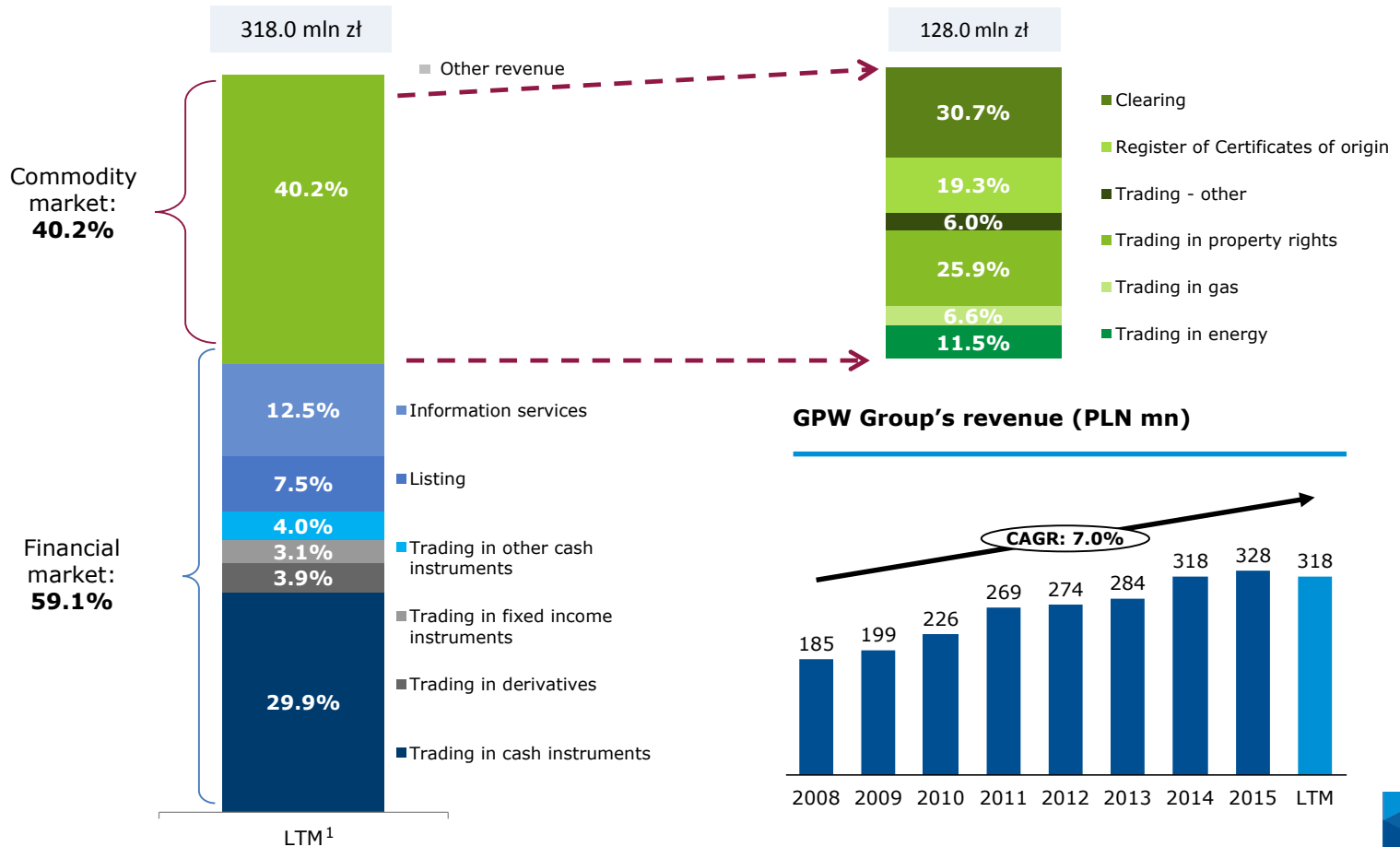


¹ EOB – Electronic Order Book, value of trade in equities in H1 2016.

² CEESEG Group includes the Vienna, the Prague, and the Ljubljana Stock Exchanges

Source : FESE, June 2016

GPW Group's revenues by category



¹ Last 12 months ended 30 June 2016

Financial market – trade in equities

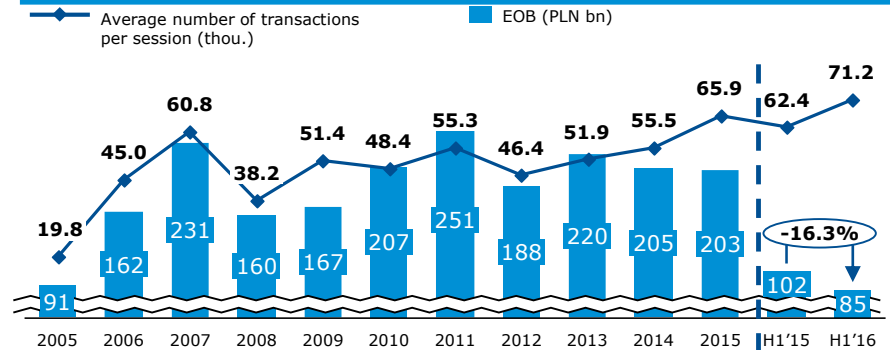


25.8%¹

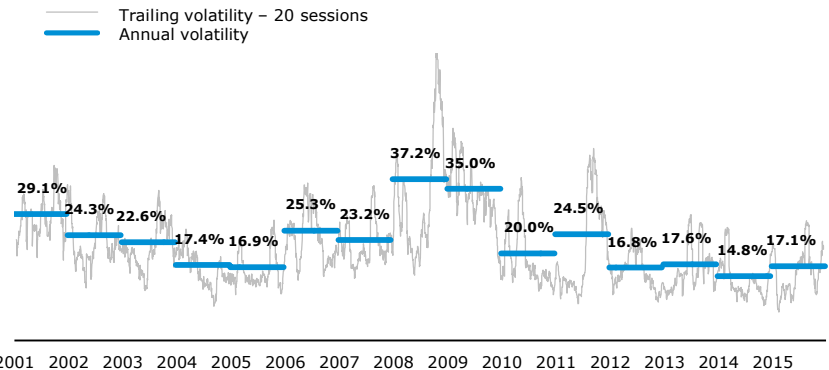
◆ Revenue drivers:

- ✓ 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 Q2 2016

Financial market – trade in derivatives

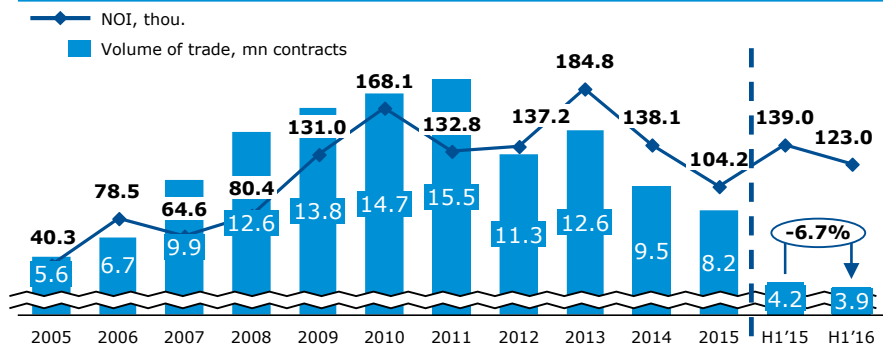


4.1%²

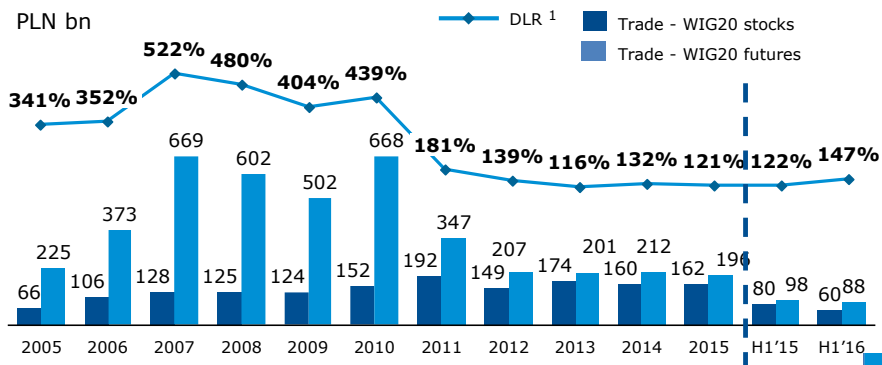
◆ Revenue drivers:

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

Volume of trade in derivatives



Volume of trade in futures vs volatility



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

² Share in GPW Group's revenue Q2 2016

Financial market – other instruments and fees paid by participants



3.3%¹

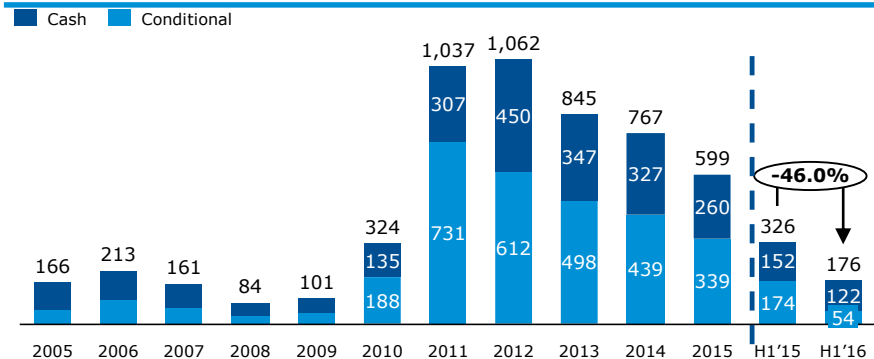


2.3%²

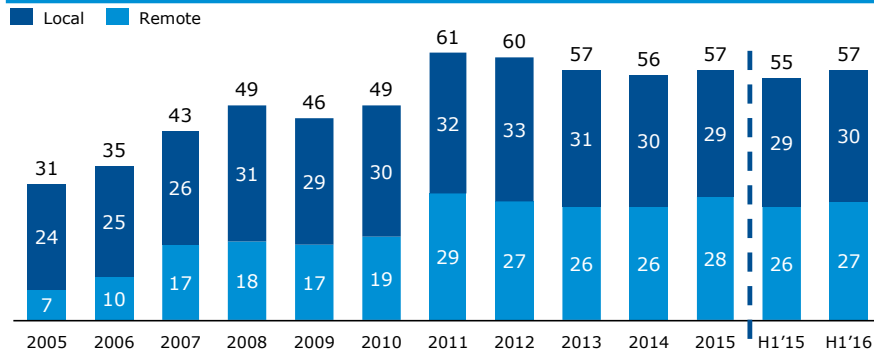
◆ Revenue drivers:

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

Value of trade on Treasury BondSpot Poland, PLN bn



Number of exchange members



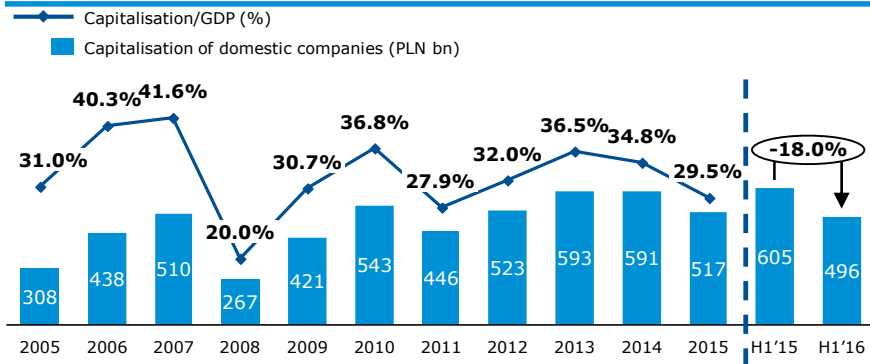
¹ Share in GPW Group's revenue Q2 2016 - trade in debt instruments
² Share in GPW Group's revenue Q2 2016 - fees paid by market participants

 **8.2%¹**

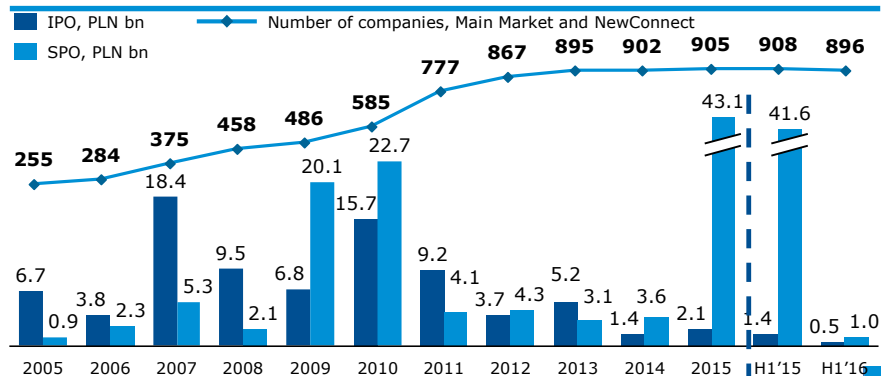
◆ Revenue drivers:

- ✓ 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 Q2 2016

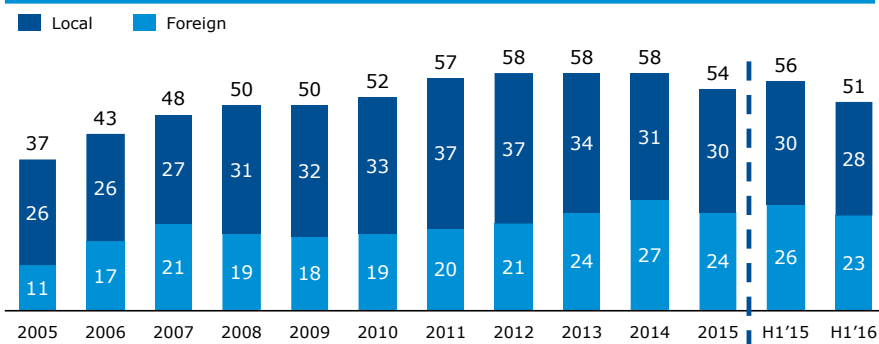


13.8%¹

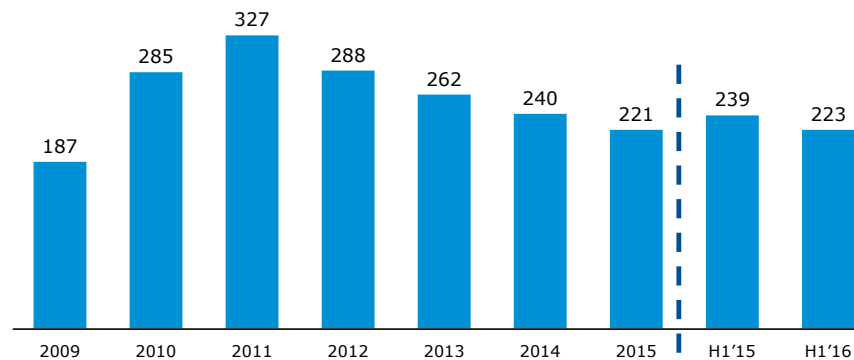
◆ Revenue drivers:

- ✓ Number of data vendors
- ✓ Number of subscribers
- ✓ Number of non-display clients

Number of data vendors



Number of subscribers (thou.)



¹ Share in GPW Group's revenue Q2 2016



6.7%²

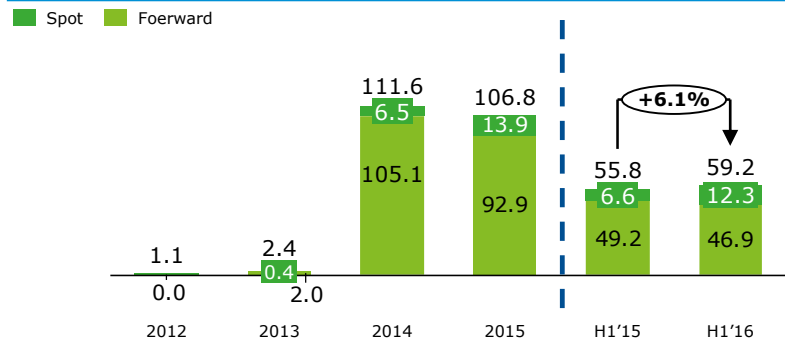
◆ Revenue drivers:

- ✓ 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 (TWh)



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

² Share in GPW Group's revenue Q2 2016

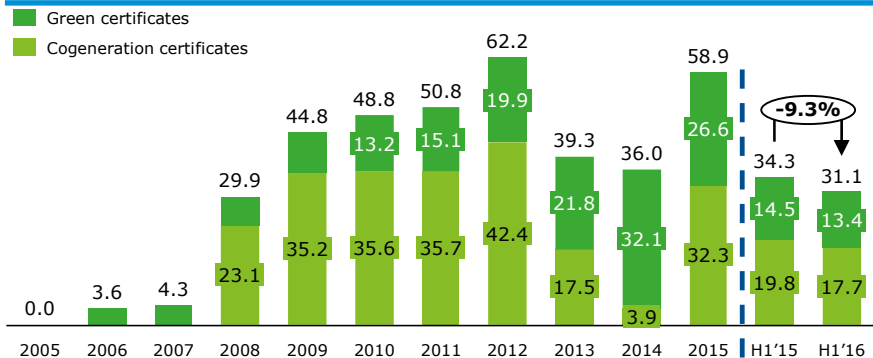


9.5%¹

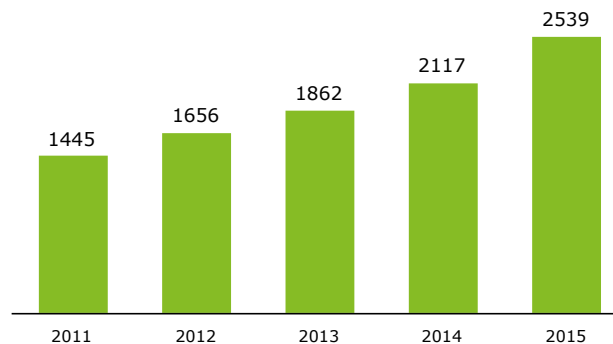
◆ Revenue drivers:

- ✓ 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 Q2 2016

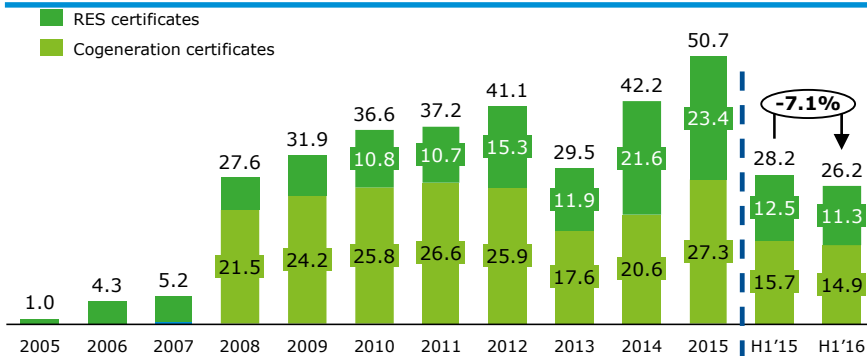
Commodity market – Register of Certificates of Origin

 **10.5%¹**

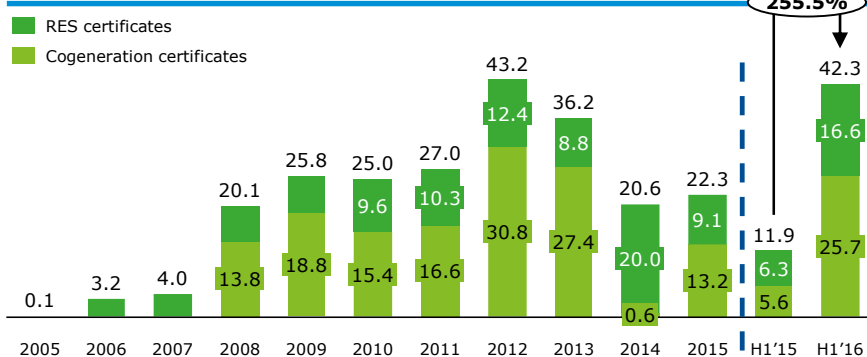
◆ Revenue drivers:

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

Volume of issued property rights(TWh)¹



Volume of cancelled property rights(TWh)



¹ Share in GPW Group's revenue Q2 2016

IR events

- ◆ **29 July 2016**
Publication of GPW Group's Consolidated Interim Report for H1 2016
- ◆ **28 October 2016**
Publication of GPW Group's Consolidated Interim Report for Q3 2016

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