Warsaw, 25 February 2016

**Presentation of Financial Results of the GPW Group**

**Q4 2015 and FY 2015**

**Net profit**

The net profit of the GPW Group was PLN 28.2 million in Q4 2015, an increase of 16.2% year on year. The Group’s annual net profit was PLN 123.7 million in 2015, an increase of 10.2% year on year. The year-on-year increase in Q4 2015 was mainly driven by higher revenues from the financial market (+5.4%) supported by a reduction of operating expenses by PLN 5.4 million, i.e., 10.6% year on year. The annual revenues from the financial market were stable year on year in 2015, and the increase of the annual net profit was mainly driven by the growing revenues from the commodity market (+9.4%).

**Revenue from the financial market**

The sales revenue from the financial market was PLN 49.0 million in Q4 2015, an increase by 5.4% year on year and a decrease by 4.9% quarter on quarter. The revenue from the financial market contributed 58.4% of the total sales revenue of the GPW Group, compared to 65.4% in Q3 2015 and 55.4% in Q4 2014. The annual sales revenue from the financial market was PLN 200.0 million, contributing 61.0% of the total sales revenue of the GPW Group in 2015, compared to 63.0% in 2014. The revenue from the financial market includes trading revenue, listing revenue, and revenue from information services.

Trading revenue on the financial market

The trading revenue on the financial market was PLN 33.2 million in Q4 2015, compared to PLN 31.1 million in Q4 2014. The increase of the revenue by 6.7% YoY was driven by higher trading in shares on the Electronic Order Book on the Main Market (+3.8% YoY). The annual trading revenue on the financial market was PLN 136.9 million in 2015, a decrease of 0.6% year on year. The decrease in the annual revenue on the financial market was mainly driven by the decrease in the volume of trade in derivatives (-13.5%). While the value of trade in shares remained stable year on year in 2015, the revenue from trade in shares increased (+2.5%), mainly due to a different structure and value of transactions (a lower average transaction value as well as a lower share of large block trades and cross trades in 2015).

Listing revenue

The GPW Group’s listing revenue on the financial market was PLN 6.0 million in Q4 2015, an increase of 3.9% year on year and an increase of 6.3% quarter on quarter. The annual listing revenue represented 7.5% of the GPW Group’s total revenue and stood at PLN 24.5 million in 2015, compared to PLN 24.0 million in 2014 (+2.2%). The increase in the listing revenue was mainly driven by a high increase in revenue from fees for introduction and admission due to increased IPO and SPO activity of issuers. The revenue from listing fees increased by 0.9% year on year; it should be noted that the fees in 2015 were calculated on the basis of capitalisation of companies as at the end of 2014.

Information services

The revenue from information services was PLN 9.7 million in Q4 2015 compared to
PLN 9.5 million in Q4 2014 (+2.1%). The annual revenue from information services was PLN 38.5 million in 2015, which represents an increase of 0.8% year on year and a share of 11.7% in the GPW Group’s total sales revenues.

**Revenue from the commodity market**

The sales revenue on the commodity market was PLN 34.2 million in Q4 2015, a decrease of 4.2% year on year and an increase of 28.3% quarter on quarter. It contributed 40.9% to the Group’s total revenues in Q4 2015. The annual revenue from the commodity market was PLN 125.2 million in 2015, representing an increase of 9.4% and a share of 38.2% of the Group’s total sales revenues. The revenue from the commodity market includes trading revenue, revenue from operation of the register of certificates of origin, and revenue from clearing.

Trading revenue on the commodity market

The trading revenue on the commodity market decreased by 5.4% year on year to
PLN 17.6 million in Q4 2015. The annual trading revenue on the commodity market was PLN 62.6 million in 2015, an increase of 4.0%. This was driven by a strong increase (+63.6%) in the volume of trade in property rights. While the volume of trade in gas decreased year on year in 2015, the revenue from trade in gas increased by 12.5% due to a different split of volumes between forward and spot transactions (for which different trading fees are charged).

Operation of the Register of Certificates of Origin

The revenue from the operation of the Register of Certificates of Origin was PLN 5.5 million in Q4 2015, a decrease of 6.4% year on year. The annual revenue from the operation of the Register of Certificates of Origin was PLN 24.2 million in 2015, an increase of 7.5% year on year. The total volume of issued certificates of origin was 50.7 TWh (+20.0%) and the volume of cancelled certificates was 22.3 TWh (+8.5%) in 2015. The year-on-year increase in the revenue from the operation of the Register of Certificates of Origin was driven mainly by a stronger growth in the volume of cancelled and issued cogeneration certificates.

Clearing

The revenue from clearing was PLN 11.1 million in Q4 2015, a decrease of 0.9% year on year and an increase of 31.9% quarter on quarter. The Group’s annual revenue from clearing was PLN 38.5 million in 2015, an increase of 20.8% year on year. The year-on-year increase was closely related to the volumes of trade on the electricity and gas markets and the volume of trade in property rights and followed the expiration of promotional fees for clearing on the gas market.

**Operating expenses**

Operating expenses were PLN 45.9 million in Q4 2015, a decrease of PLN 5.4 million (-10.6%) year on year. The annual operating expenses were PLN 174.4 million in 2015 and the strict cost regime generated cost savings of PLN 7.2 million (-4.0% YoY), mainly driven by a reduction of separate operating expenses (down by PLN 10.3 million; -7.9% YoY). The cost/income ratio was 53.2% in 2015 (down by 4.0 percentage points YoY) in line with the aspiration to bring the ratio down to less than 50% in 2020. The reduction of expenses in 2015 was mainly driven by
a decrease of depreciation and amortisation charges by PLN 1.9 million (-6.7%), a decrease of salaries by PLN 1.5 million (-2.1%), a reduction of external service charges by PLN 2.3 million (-5.6%), and a reduction of other operating expenses by PLN 2.2 million (-25.7%), which offset the increase of fees and charges (+5.5%).

**Share of profit of associates**

The GPW Group’s share of profit of associates was positive at PLN 1.7 million in Q4 2015, compared to a negative PLN 2.2 million in Q4 2014. The GPW Group’s annual share of profit of associates was negative at PLN 1.5 million in 2015. The share of profit of associates was mainly driven by the earnings of the KDPW Group and Aquis Exchange. KDPW’s profit attributable to GPW was PLN 4.6 million in 2015, compared to PLN 10.0 million in 2014. The multilateral trading facility Aquis Exchange generated a loss in 2015, including a loss attributable to the GPW Group at PLN 6.5 million (compared to a loss of PLN 6.7 million in 2014).

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