

PRESENTATION OF WSE GROUP RESULTS IN Q3 2013

OCTOBER 2013

Strengthening WSE's international position

- ❖ Acquisition of shares in Aquis Exchange
- ❖ Continued negotiations with CEESEG
- ❖ New listing of the first Chinese company on WSE

Organic growth

- ❖ Development of the product offer
- ❖ New services: co-location
- ❖ PolPX: obligation to sell gas on the exchange drives market growth
- ❖ Expansion of the OTC offer for the energy market (InfoEngine)
- ❖ Measures improving liquidity on the financial market



Revenue diversification and cost discipline

WSE Group financial results (PLN thous.)

	Q3 2013	QoQ	YoY
Revenue	69 000	6.9%	5.1%
Operating expenses	40 241	-8.6%	16.9%
Operating profit	28 495	37.8%	-9.1%
Net profit	25 953	52.8%	0.2%
EBITDA ¹	38 801	23.4%	3.6%

¹EBITDA = operating profit + share of profit of associates + depreciation and amortisation

WSE on the stock exchange²

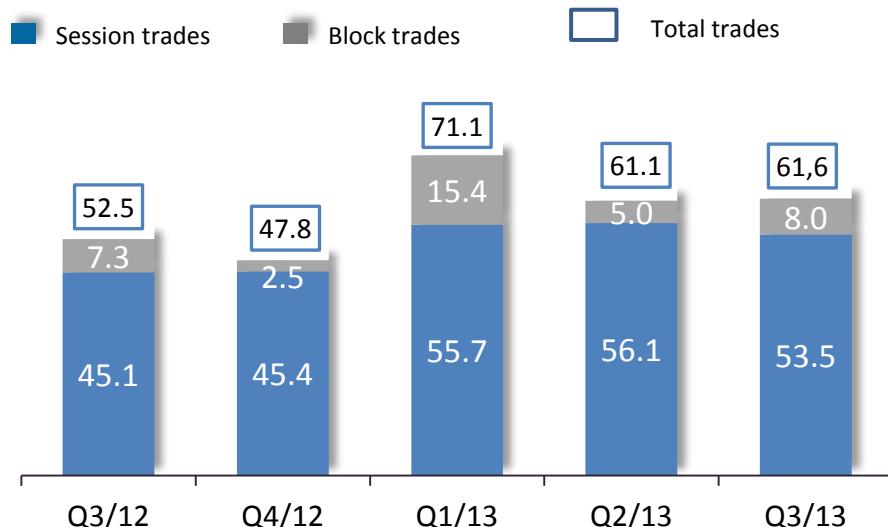
Capitalisation	PLN 1.86 bn
Return year to date	+15,77%
Average daily turnover in Q3 2013	PLN 2.1 mn
Free float	64.7%
Turnover ratio ³	31.3%
Dividend yield	1.8%
Dividend paid from 2012 profit	PLN 0.78/share

² As of 25.10.2013

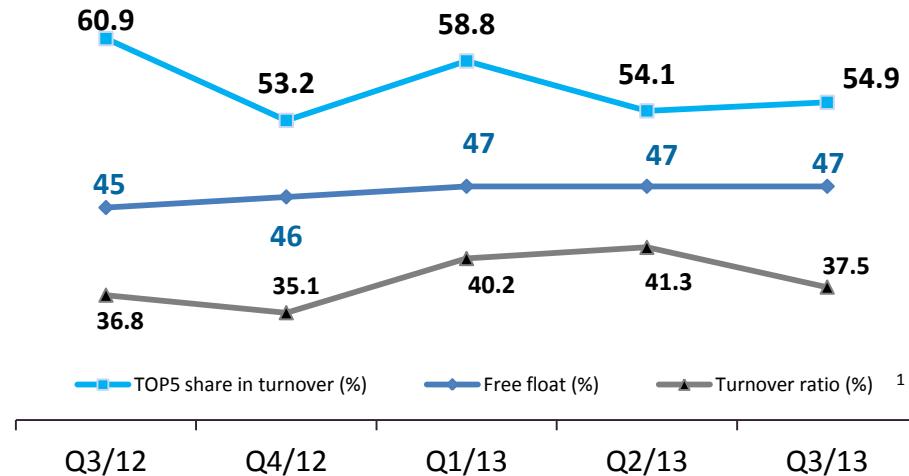
³ Annualised turnover in the period 1.01-25.10.2013 to capitalisation as of 25.10.2013

Trading in shares on Main Market

Value of trading in shares on Main Market, PLN bn



Main Market parameters



❖ Total value of trading increased by 0.8% QoQ and 17.3% YoY in Q3 2013

❖ Average daily value of session trades was PLN 947.4 mn in Q3 2013 v. PLN 1,017.7 mn in Q2 2013 and PLN 820.2 mn in Q3 2012

❖ Average transaction fee on Main Market for session trades was 2.37 b.p. in Q1-Q3 2013

¹ Turnover ratio for shares is the average of monthly FESE data

WIG30

- ❖ WSE started to publish WIG30 on 23 September 2013
- ❖ WIG30 reflects the qualitative change on the Polish capital market in the last two decades
- ❖ Objective:



WIG30

- ❖ to improve liquidity of companies in the index portfolio,
- ❖ to reduce concentration of trade in the current top 20 stocks,
- ❖ to make the equities market more attractive and, in future, to stimulate the derivatives market.

Co-location

- ❖ For customers who use automated trading systems and wish to ensure the quickest access to WSE markets in order to send orders and receive market data
- ❖ Infrastructure can be housed at WSE site
- ❖ Minimised latency with WSE systems



High volume provider (HVP)

- ❖ Trading on the cash and derivatives market at highly competitive fees after fulfilling some requirements as to value or volume of turnover – only for companies making transaction on their own account

Strengthening WSE's position in Europe

WSE and Aquis Exchange Ltd.:

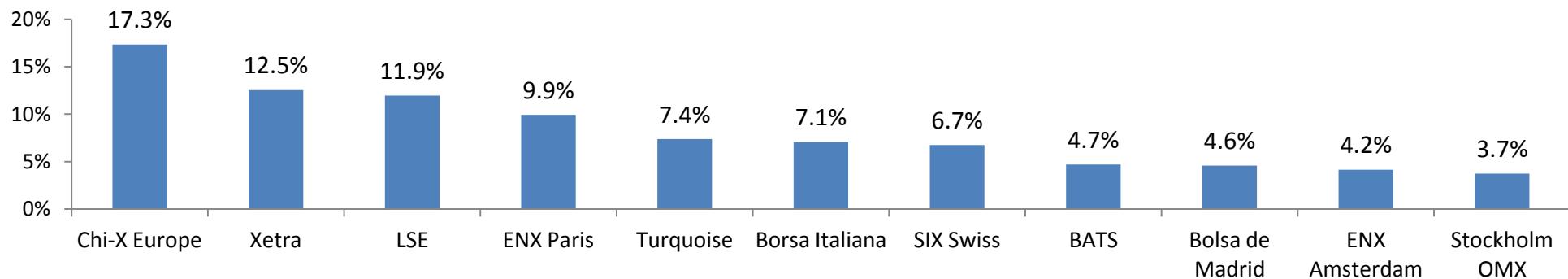
- ❖ August 2013 – agreement to form an alliance
- ❖ Under the terms of the agreement:
 - ❖ WSE to acquire shares representing 30% of the total vote at the Aquis Exchange GM and 30% of economical rights
 - ❖ WSE nominated Adam Maciejewski and Paweł Czupryna to the Aquis Board of Directors
- ❖ Total transaction value – GBP 5 mn – will be covered by WSE own funds

Aquis Exchange Ltd.:

- ❖ Based in UK, established in October 2012
- ❖ Is planning to go live, subject to gaining regulatory approval as a multilateral trading facility from UK FCA
- ❖ Aquis Exchange will offer equities from 14 European markets for trading



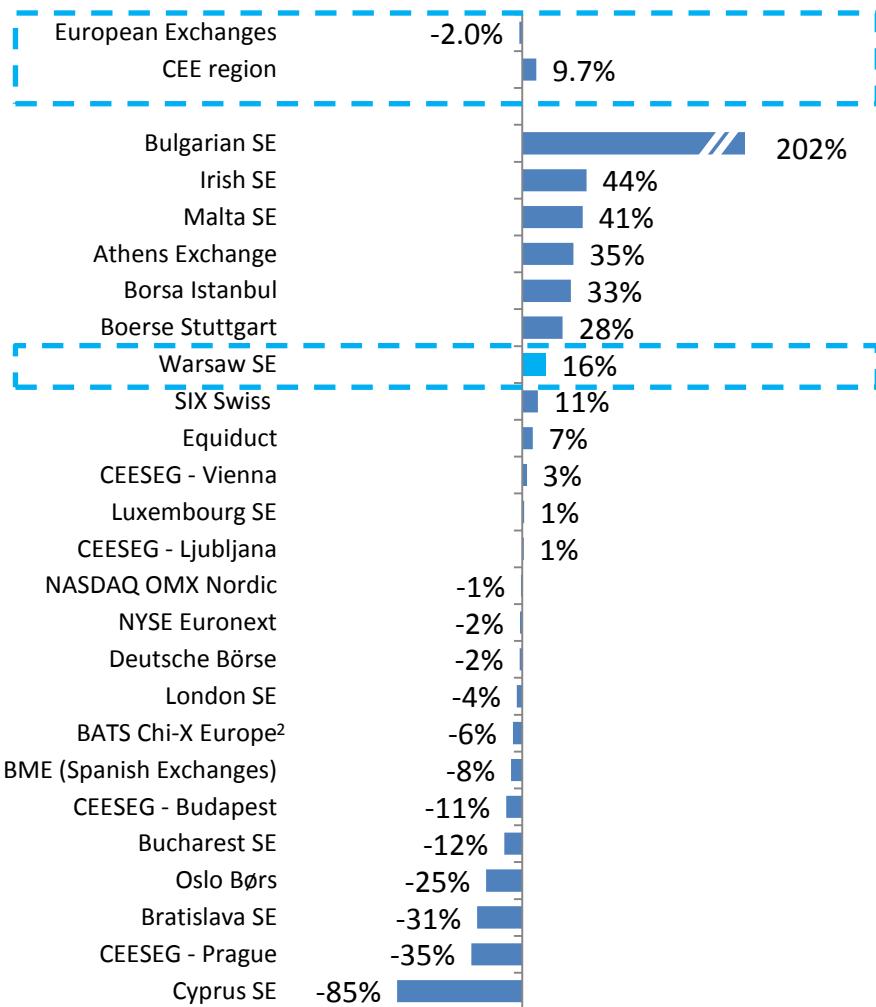
Share of equity trading in Europe (lit & dark pool)
January – September 2013



WSE v. European markets

Growth rate of the value of trading on European exchanges,

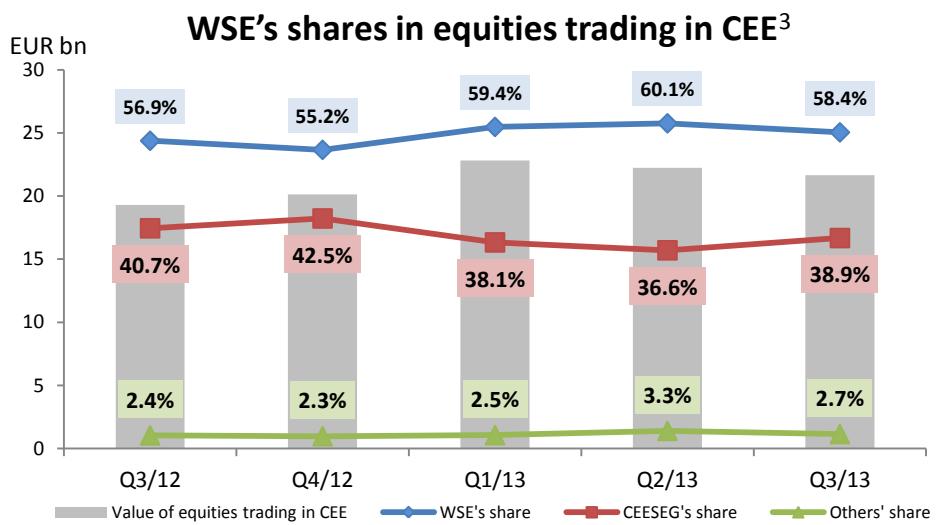
Q1-Q3 2013 versus Q1-Q3 2012¹



¹Source: FESE; session trades in EUR

²Since 20.05.2013, BATS Chi-X Europe operates in Europe as a licensed exchange

- Value of equities trading on WSE in Q1-Q3 2013 increased by 16.1% YoY
- Value of trading in CEE in Q1-Q3 2013 increased by 9.7% YoY while the value of trading on all European exchanges decreased by 2.0% YoY
- WSE's share in the value of equities trading in CEE³ was 59.3% year to date

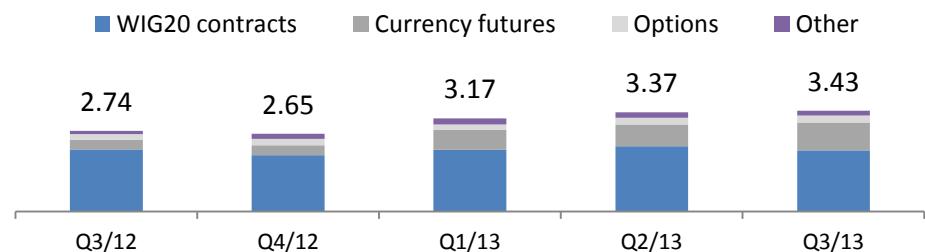


³including: WSE, CEESEG Group, Bulgarian, Romanian and Slovak exchanges, source: FESE

Trading in derivatives on WSE

- Volume of trading in derivatives increased by 1.9% QoQ and by 25.2% YoY in Q3 2013 as a result of more active trading in futures and options
- WIG20 contracts had a 60.6% share in the volume of derivatives in Q3 2013 and a 64.1% share year to date

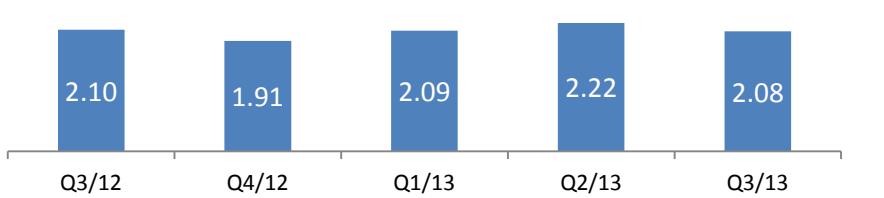
Volume of trading in derivatives (by quarter, mn instruments)



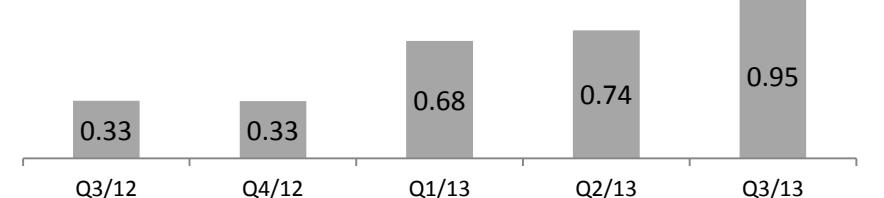
Initiatives on the derivatives market

- PLN multiplier for WIG20 futures introduced in September 2013
- Market in Treasury bond futures and WIBOR futures opened on 18 October 2013

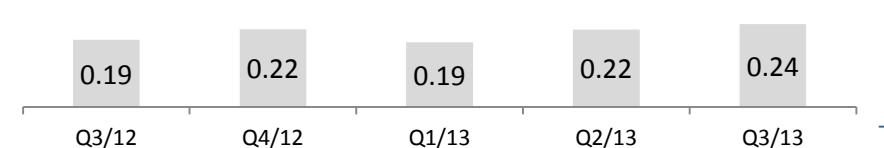
Decrease of 1.2% YoY



Increase of 185.6% YoY



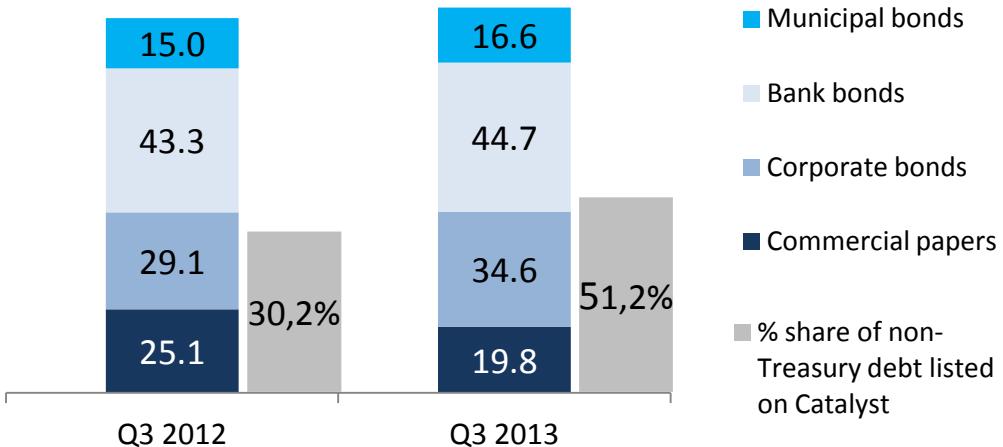
Increase of 23.3% YoY



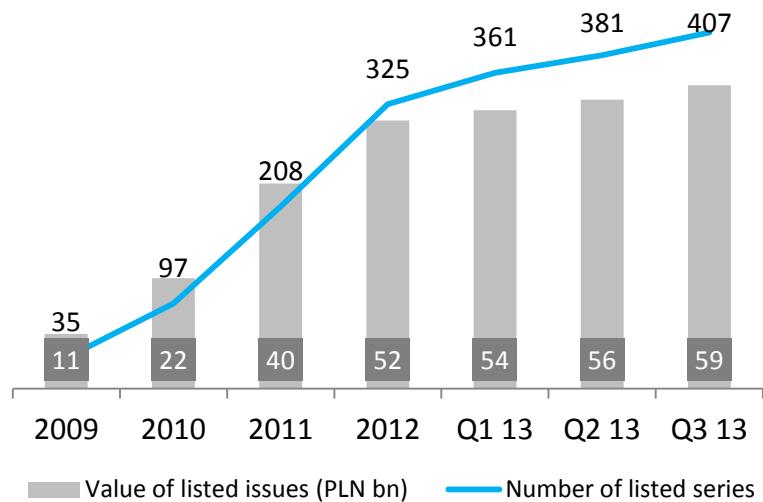
Non-Treasury bond market – Catalyst

Growth of Poland's non-Treasury debt market

(value of issue at the end of a period, PLN bn)



Catalyst (non-Treasury debt)



Over the four years of Catalyst, as at the end of Q3 2013:

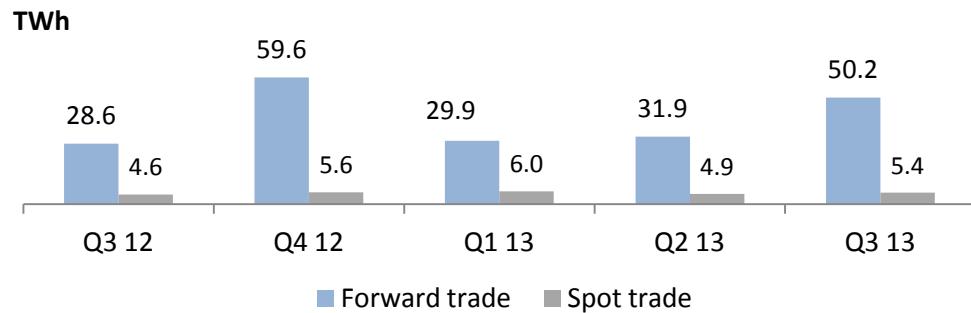
Value of issues listed on Catalyst increased by more than 10 times to PLN 59.2 bn;

Number of non-Treasury bond issues increased by more than 10 times to 407 listed series

Commodity market

Electricity market

Total volume of spot and forward trade in electricity was 55.6 TWh in Q3 2013 (increase of 51.3% QoQ and 67.6% YoY)

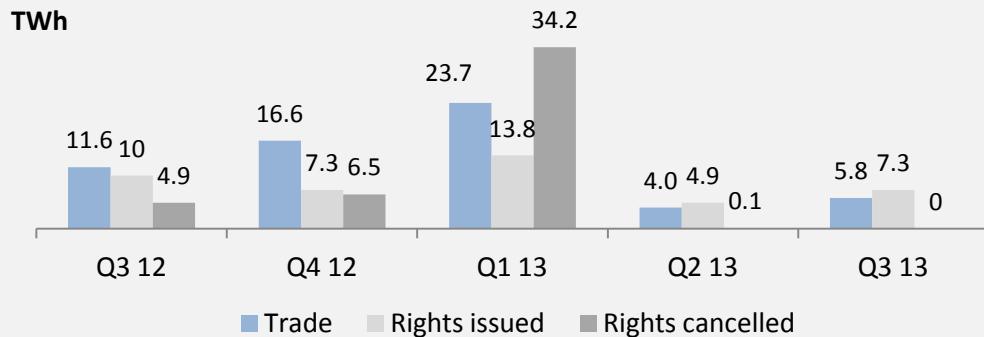


Gas market

- PFSA has approved Polish Power Exchange Rules enabling direct access of interested companies to the gas market as of 1 November 2013.
- Total volume of trade in gas year to date: 686.69 GWh
- Obligation to sell a percentage of gas supplied to the industrial system on the exchange as of 11 September 2013:
 - 30% in 2013
 - 40% in 2014
 - 55% in 2015

Certificates of origin

- Trade in certificates of origin was 5.8 TWh in Q3 2013, an increase of 46.1% QoQ and a decrease of 49.9% YoY
- As of 4 November 2013, PolPx introduces new property rights to certificates of origin for energy efficiency (white cert.) to trading

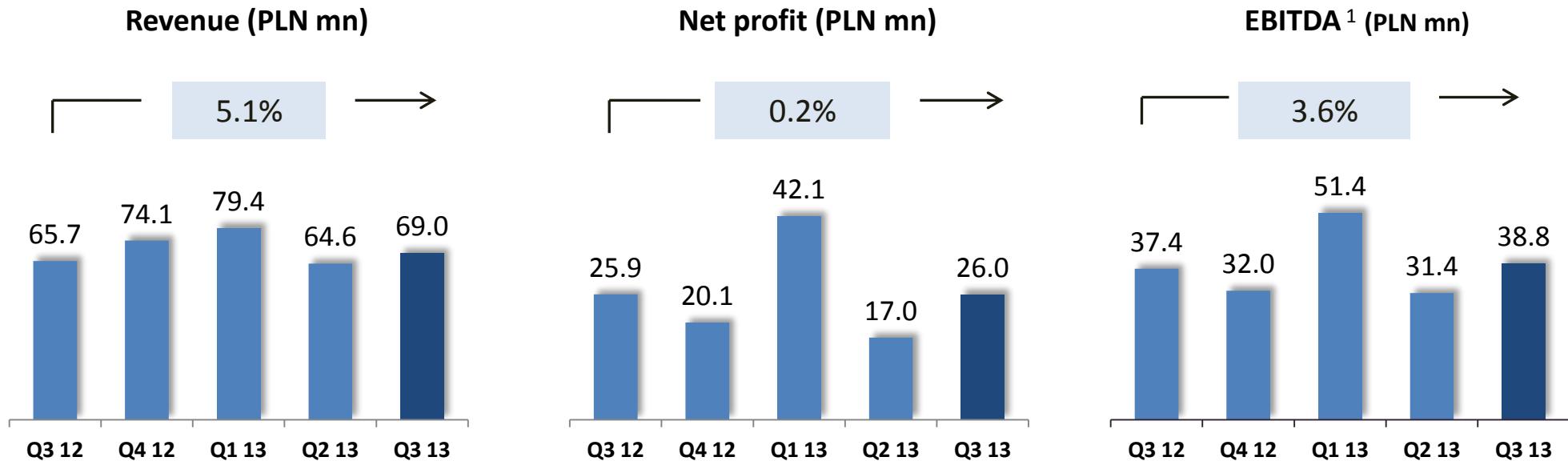


OTC market

- InfoEngine OTC, an OTC commodity trade platform, opened on 15 October 2013
- Electronic system of matching asks and binds on TradePort
- Complementary to WSE Group's offer on the commodity market

WSE Group financials

Key financials of WSE Group



- Operating profit in Q3 2013: PLN 28.5 mn (+37.8% QoQ), net profit: PLN 26.0 mn (+52.8% QoQ)
- Revenue increased by 6.9% QoQ in Q3 2013 and by 6.6% YoY in Q1-Q3 2013.
- Group's net profit was PLN 85.0 mn and EBITDA was PLN 121.6 mn in Q1-Q3 2013

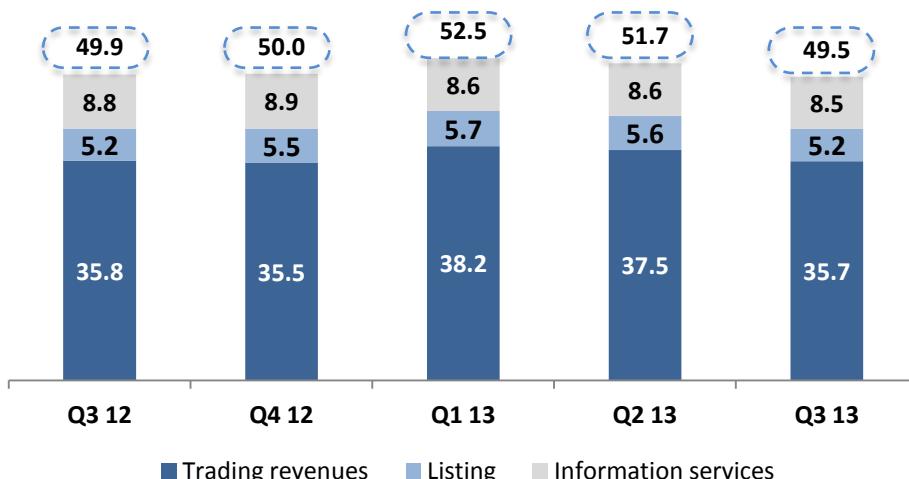
¹EBITDA = operating profit + depreciation and amortisation + share of profit of associates

Revenue from the Financial Market

[PLN'000]	Q3 2013	Q3 2012	YoY	Q2 2013	QoQ
Total revenues	69 000	65 663	5.1%	64 557	6.9%
Financial market	49 507	49 862	-0.7%	51 701	-4.2%
Trading, including:	35 732	35 837	-0.3%	37 543	-4.8%
Shares	26 094	23 738	9.9%	26 946	-3.2%
Derivatives	5 451	6 278	-13.2%	5 624	-3.1%
Bonds	2 764	4 132	-33.1%	3 486	-20.7%
Other ¹	1 424	1 689	-15.7%	1 487	-4.2%
Listing	5 248	5 193	1.1%	5 588	-6.1%
Information services	8 527	8 832	-3.5%	8 570	-0.5%
Commodity market	18 710	14 789	26.5%	12 307	52.0%

Structure of revenue on the financial market (PLN mn)

- Revenue from the financial market decreased by 4.2% QoQ and 0.7% YoY in Q3 2013
- Revenue from trading in shares decreased by 3.2% QoQ and increased by 9.9% YoY in Q3 2013
- Revenue from the financial market was PLN 153.7 mn in Q1-Q3 2013, a decrease of 2.8% YoY
- Revenue from trading in shares was PLN 80.9 mn in Q1-Q3 2013 – it increased by 5.6% YoY



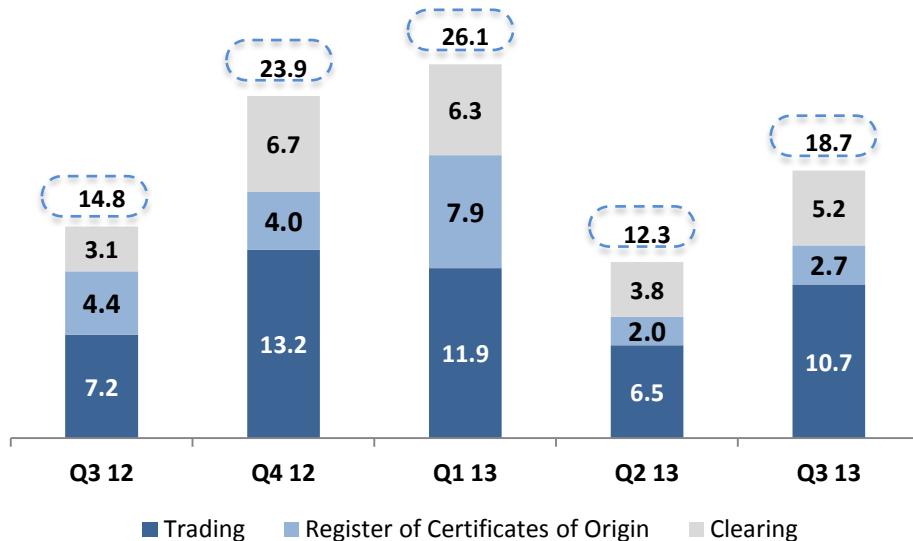
¹ Fees paid by exchange members and other cash market instruments

Revenue from the Commodity Market

[PLN'000]	Q3 2013	Q3 2012	YoY	Q2 2013	QoQ
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Financial market	49 507	49 862	-0.7%	51 701	-4.2%
Commodity market	18 710	14 789	26.5%	12 307	52.0%
Trading:					
<i>Electricity</i>	4 100	2 816	45.6%	2 634	55.7%
<i>Natural gas</i>	10	-	-	15	-33.3%
<i>Property rights</i>	4 968	2 720	82.6%	2 165	129.5%
<i>Other</i>	1 665	1 701	-2.1%	1 687	-1.3%
Register of Certificates of Origin	2 735	4 428	-38.2%	1 977	38.3%
Clearing	5 232	3 124	67.5%	3 829	36.6%

Structure of revenue on the commodity market (PLN mn)

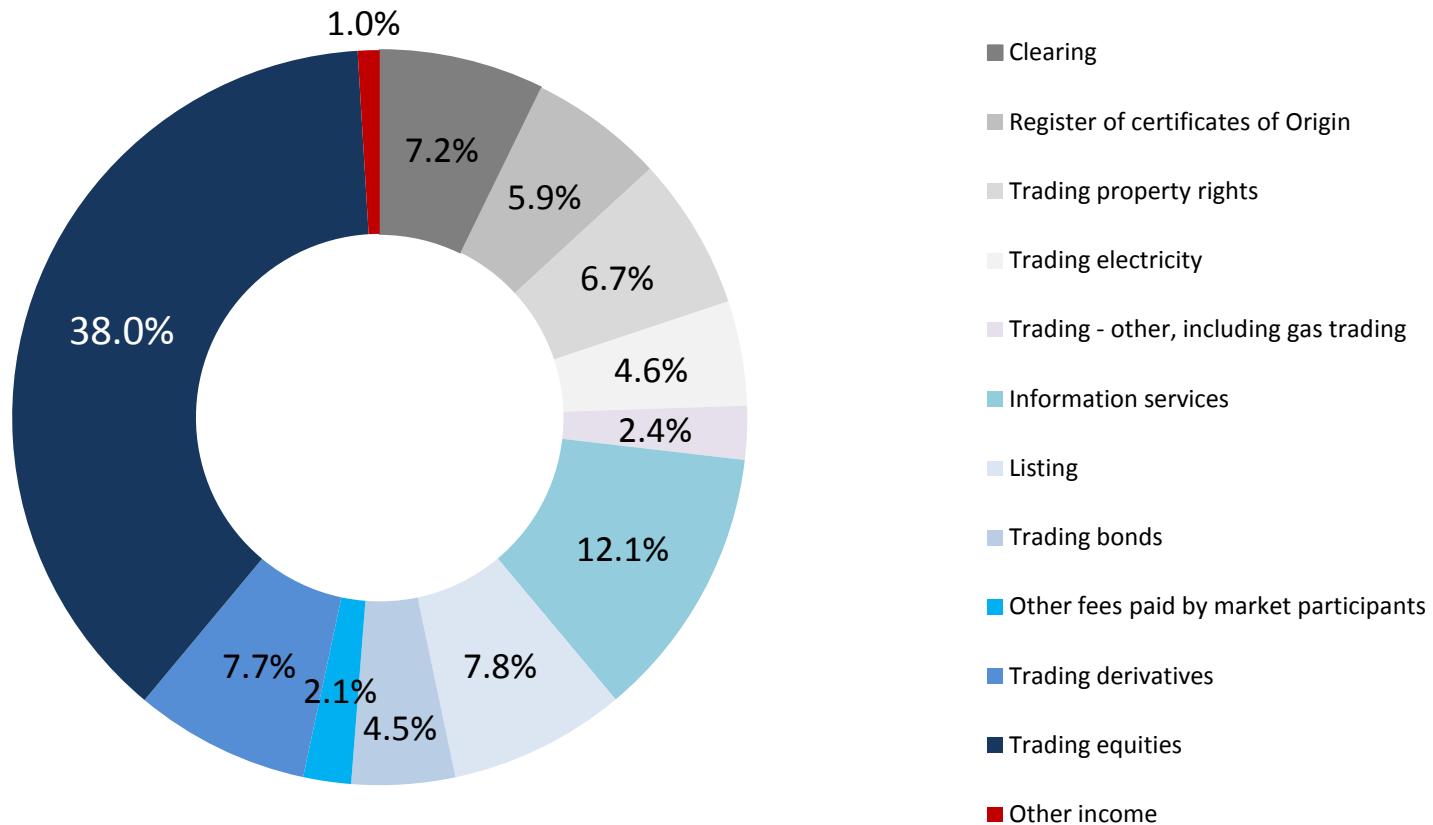
- Revenue from the commodity market increased by 52.0% QoQ and 26.5% YoY
- High volumes on the forward market in Q3 2013 boosted revenue from trading in electricity
- PolPX Group revenue was PLN 56.3 mn in Q1-Q3 2013



Structure of WSE Group revenue

- Commodity market represents 26.8% of WSE Group revenues and financial market represents 72.2% of WSE Group revenues in the period Q1 – Q3 2013

Structure of revenues, Q1 – Q3 2013



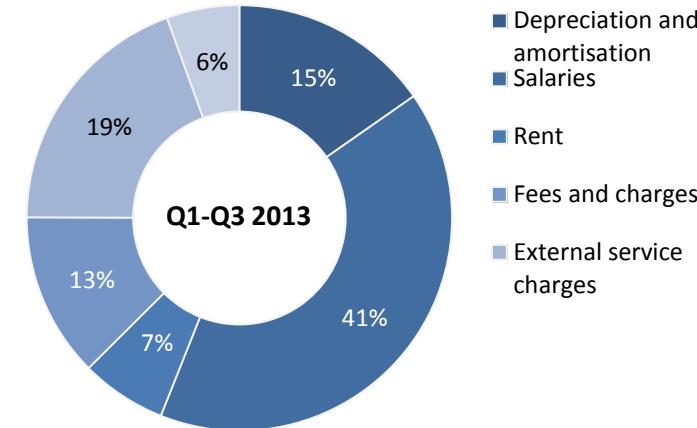
Cost discipline in Q3 2013

Operating expenses (PLN mn)

	PLN'000	Q3 2013	Q3 2012	YoY
Expenses	40 241	34 438		16.9%
Depreciation and amortisation	6 921	4 096	69.0%	
Salaries	14 226	14 903	-4.5%	
Rent	2 661	2 129	25.0%	
Fees and charges	5 441	4 816	13.0%	
<i>incl. PFSA (WSE)</i>	4 578	4 469	2.4%	
External service charges	9 191	6 664	37.9%	
Other	1 800	1 830	-1.6%	

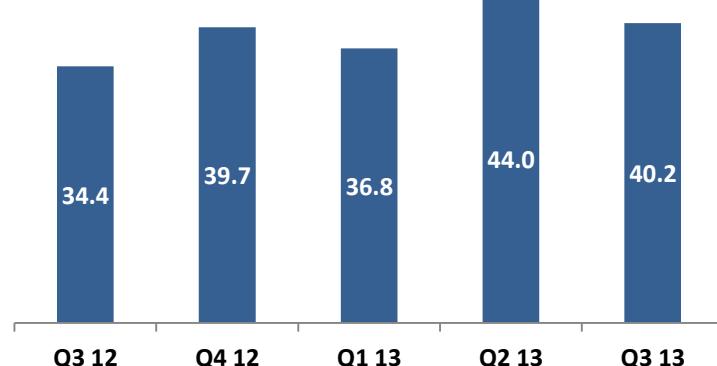
Q2 2013	QoQ
44 030	-8.6%
7 922	-12.6%
17 919	-20.6%
2 690	-1.1%
4 879	11.5%
4 358	5.1%
7 786	18.1%
2 834	-36.5%

Structure of expenses¹



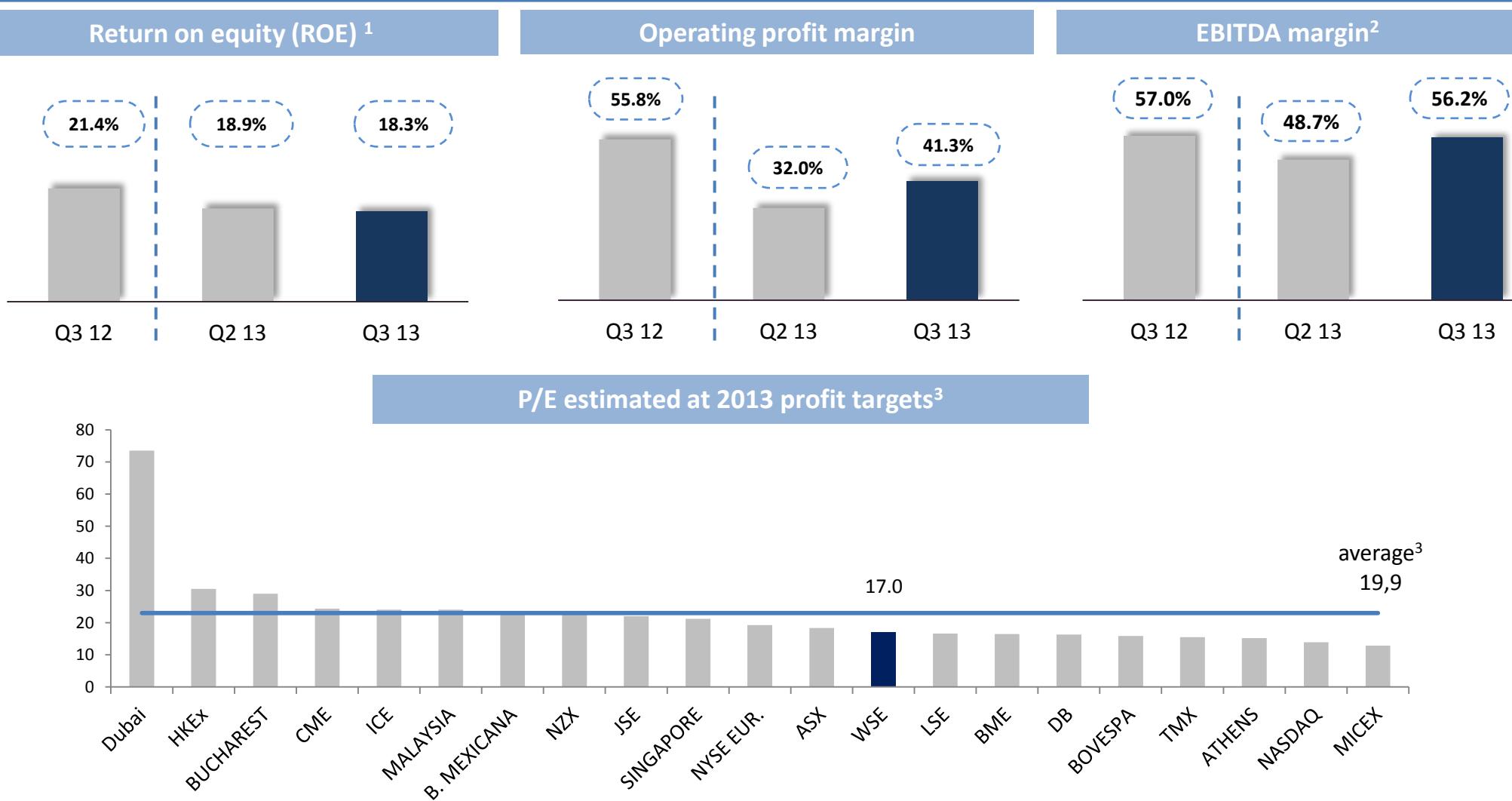
- Operating expenses decreased by 8.6% QoQ in Q3 2013
- Amortisation period of UTP intangible assets extended from 8 to 12 years, resulting in PLN 1 mn less expenses per quarter as of Q3 2013
- Released provisions for non-compete clause reduced salaries while modifications to the employee incentive system reduced employee bonus provisions (PLN 1.9 mn)
- Cost/income ratio at 42.4% in Q1-Q3 2013 v. 43.6% in the year 2012
- WSE's advance fee to PFSA in Q4 2013: PLN 4.2 mn

Operating expenses by quarter (PLN mn)



¹ Cost/income ratio net of amortisation and fees paid by WSE to PFSA

Indicators and profitability



¹ Net profit for the last 12 months / average equity at the beginning and at the end of the last 12 months

² EBITDA = EBIT + share of profit of associates + depreciation and amortisation

³ Source: Bloomberg, as of 25.10.2013, the average excludes Dubai Exchange

WSE Group Balance Sheet

PLN'000	30.09.2013	30.06.2013	31.12.2012	30.09.2012
Non-current assets, including:	574 749	568 880	512 004	518 215
Plant and property	120 622	128 000	133 115	133 864
Intangible assets	272 388	268 372	209 545	214 487
Investment in associates	156 694	154 050	151 213	149 456
Current assets, including:	445 915	506 026	447 020	415 847
Trade and other receivables	44 754	40 555	62 929	64 073
Available-for-sale financial assets	586	428	118	586
Cash and cash equivalents	395 229	460 897	378 883	349 285
Total assets	1 020 664	1 074 906	959 024	934 062
 Equity	 609 024	 584 102	 555 890	 537 534
Non-current liabilities, including:	248 234	247 950	247 842	250 313
Liabilities under bond issue	243 502	243 387	243 157	245 000
Current liabilities, including:	163 406	242 855	155 292	146 215
Trade payables	5 402	3 518	4 282	6 108
Corporate income tax liabilities	969	298	2 549	1 487
Other liabilities and provisions	144 191	227 042	135 885	128 303
Employee benefits payable	12 844	11 997	12 574	10 317
Total equity and liabilities	1 020 664	1 074 906	959 024	934 062

- ❖ Intangible assets increased as a result of UTP implementation
- ❖ 'Cash' includes assets of the WCCH settlement guarantee system (restricted cash) at PLN 124.6 mn; reflected in other liabilities
- ❖ Decrease in cash in Q3 2013 due to WSE dividend payout and acquisition of shares in Aquis Exchange
- ❖ WSE Group's non-current liabilities mainly include WSE liabilities under bond issue
- ❖ Decrease in current liabilities in Q3 2013 mainly driven by dividend payout and decrease of liabilities under the WCCH settlement guarantee system

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