



PRESENTATION OF RESULTS OF WSE GROUP IN 2013

FEBRUARY 2014



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2013: Year of challenges for WSE Group



- ❖ Reduction of exchange fees, shorter trading session
- ❖ Supporting liquidity: HPA service, HVP Programme³
- ❖ Reform of NewConnect
- ❖ Acquisition of 30% of MTF Aquis Exchange
- ❖ Changes to main indices and futures standards in support of further growth
- ❖ Trading in equities in 2013: +23%, in Europe: +6%⁴
- ❖ #2 in Europe by number of IPOs
- ❖ Development of offer for commodity market players (including WSEInfoEngine)
- ❖ New ambitious strategy by 2020: WSE.2020

WSE on the stock exchange⁵

| | |
|--------------------------------|-------------|
| Capitalisation | PLN 1.74 bn |
| Return rate YTD | +6.8% |
| Average daily turnover in 2013 | PLN 2.4 mn |
| Free float | 64.7% |
| Turnover ratio ⁶ | 34.2% |
| Dividend yield | 1.8% |

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

³ HPA – WSE High Performance Access; HVP – programme of special fees for active participants

⁵ For / as at the end of 2013

² Euromoney, May 2013, followed in the ranking by: Istanbul SE, MICEX, Vienna SE, Zagreb SE

⁴ Source: FESE (session and block trades)

⁶ Turnover in 2013 to capitalisation at the year's end

WSE: Strengthening position in Europe

2008 – Representation Office in Kiev

2013 – Looking for options of co-operation with CEESEG

- April 2013 – start of preliminary talks on potential co-operation with CEESEG (stock exchanges in Vienna, Prague, Budapest and Ljubljana).

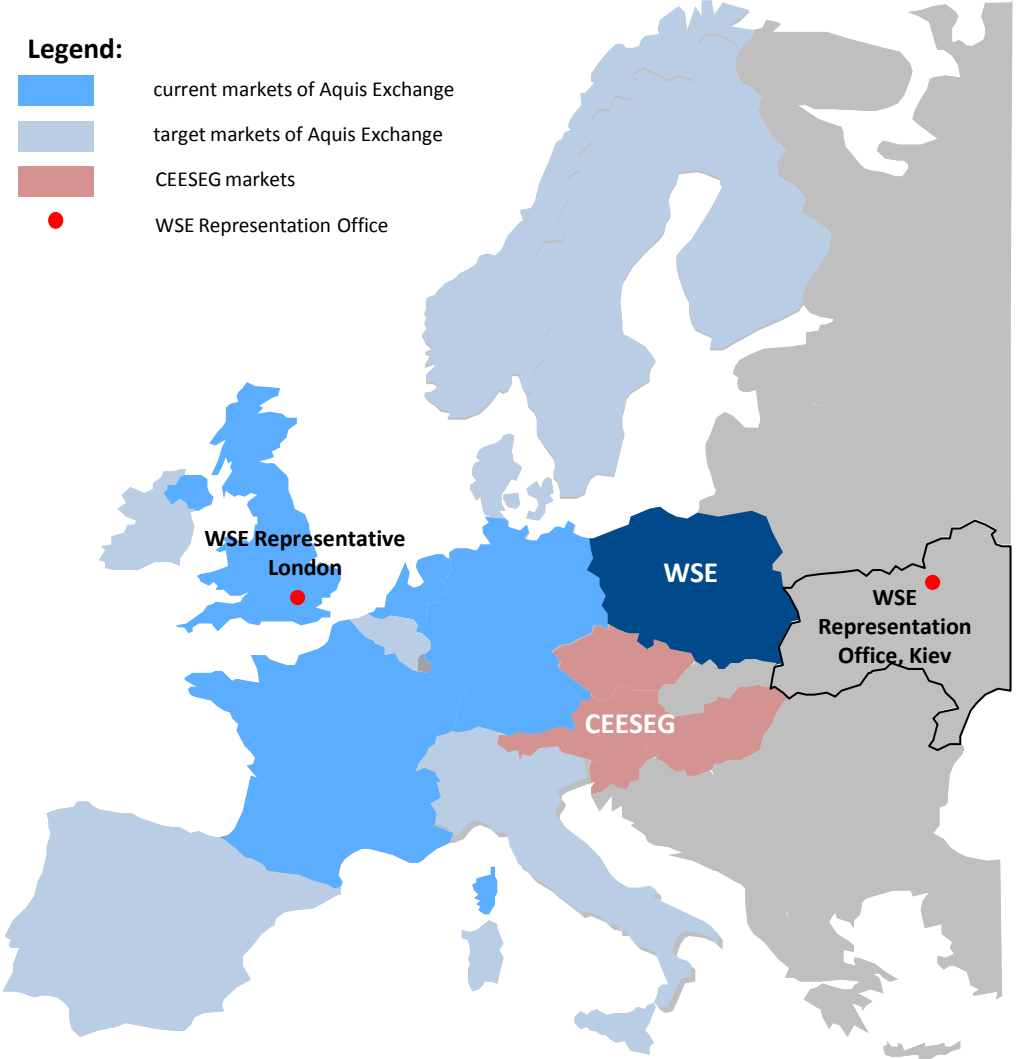
2013 – WSE Representative in London

2013/2014 – Investment in Aquis Exchange Limited, UK

- 30% of votes and economic rights
- 2 representatives on Board of Directors

About Aquis Exchange :

- multilateral trading facility (MTF) in London
- launched in November 2013
- competition for other MTFs and exchanges in Western Europe
- target: trading platform for shares on the 14 main exchanges in Western Europe
- innovative subscription pricing model
- state-of-the-art trading system developed by Aquis
- experienced managers



Unlocking the organic growth potential of WSE Group

- ❖ Start implementation of UTP-Derivatives
- ❖ New products including stock options, binary and monthly options, power futures settled in cash
- ❖ Attracting new issuers in Poland and abroad
- ❖ Continued acquisition of new participants in the equities and derivatives markets including the High Volume Provider Programme
- ❖ Diversification of activities on the commodity market beyond trade in electricity and property rights
- ❖ Active participation of WSE in legislative developments for the financial and commodity markets including:
 - ❖ securities lending
 - ❖ participation of banks in trading on the exchange
 - ❖ financing market supervision

Looking for M&A opportunities

- ❖ Decision on co-operation with CEESEG
- ❖ Active co-operation with Aquis Exchange

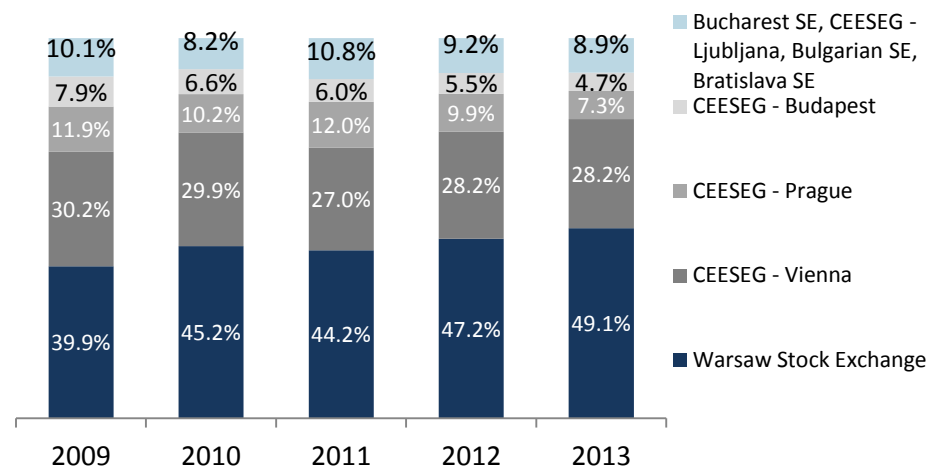
- ❖ New initiatives under the strategy WSE.2020 – communicated according to the strategy implementation timeline



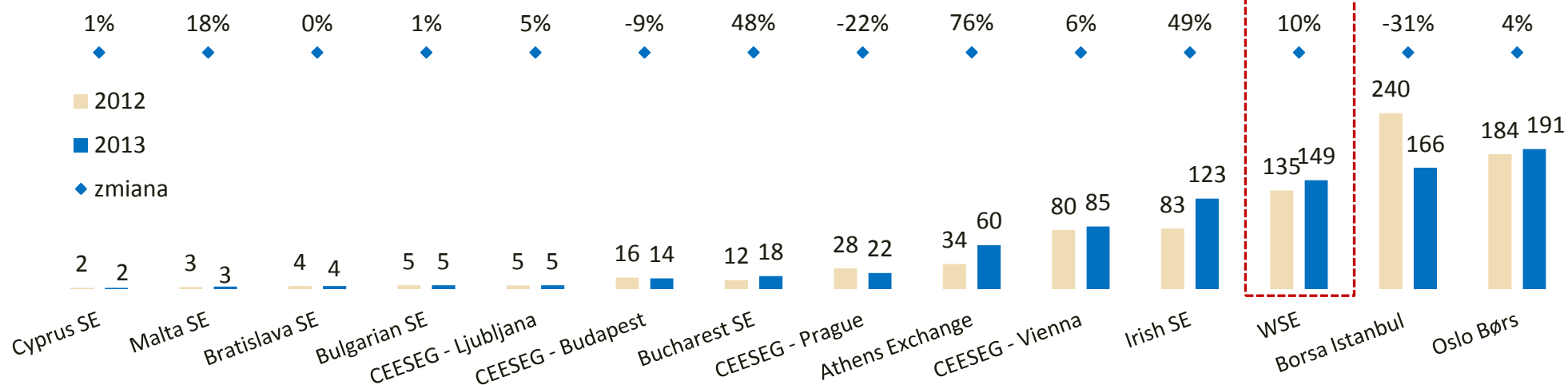
WSE's international position: capitalisation

- Capitalisation of domestic shares listed on WSE Main Market at 2013 YE: PLN 593 bn
 - increase of PLN 70 bn YoY (13.4%), of which PLN 15 bn of new listings
 - average company capitalisation on MM is PLN 1.47 bn
- Capitalisation of foreign shares on WSE at 2013 YE: PLN 247 bn, increase of 17.4%

Share of exchanges in capitalisation in CEE Region¹



Small and medium exchanges in Europe: Capitalisation of domestic companies [EUR bn]¹

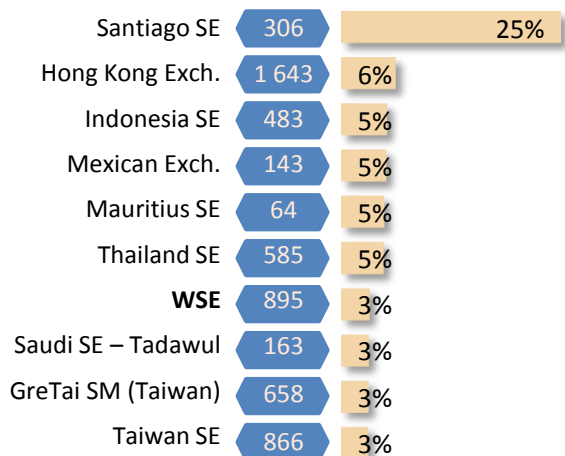


¹Source: FESE (capitalisation of domestic companies according to FESE includes foreign companies single-listed on an exchange)

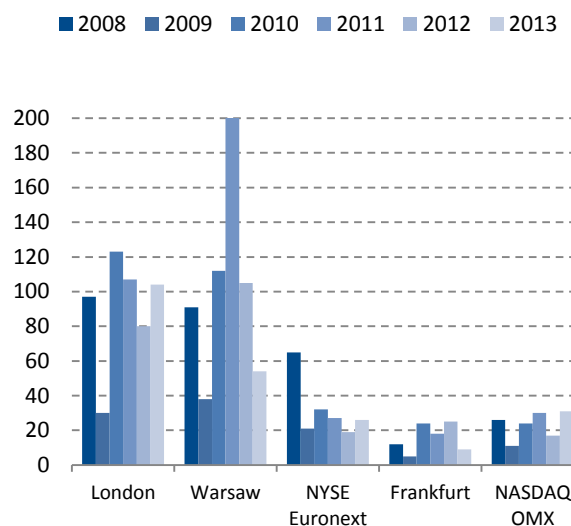
WSE's international position: # companies

10 world exchanges with the highest growth rate of the number of companies¹

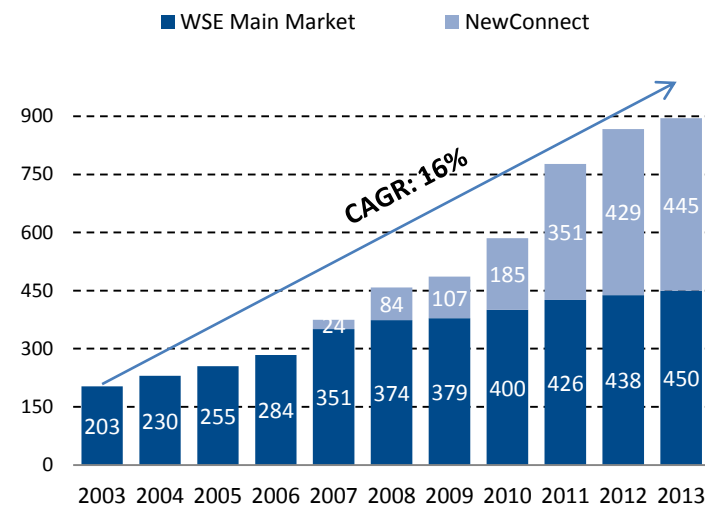
■ Δ number of companies 2013/2012
■ number of companies at 2013 YE



European exchanges with the highest number of IPOs²



Growth in the number of companies on markets operated by WSE



- # 7 world exchange by the growth rate of the number of companies in 2013
- # 2 by the number and #5 by the value of IPOs in Europe in 2013
- # 15 world exchange by the number of listed companies

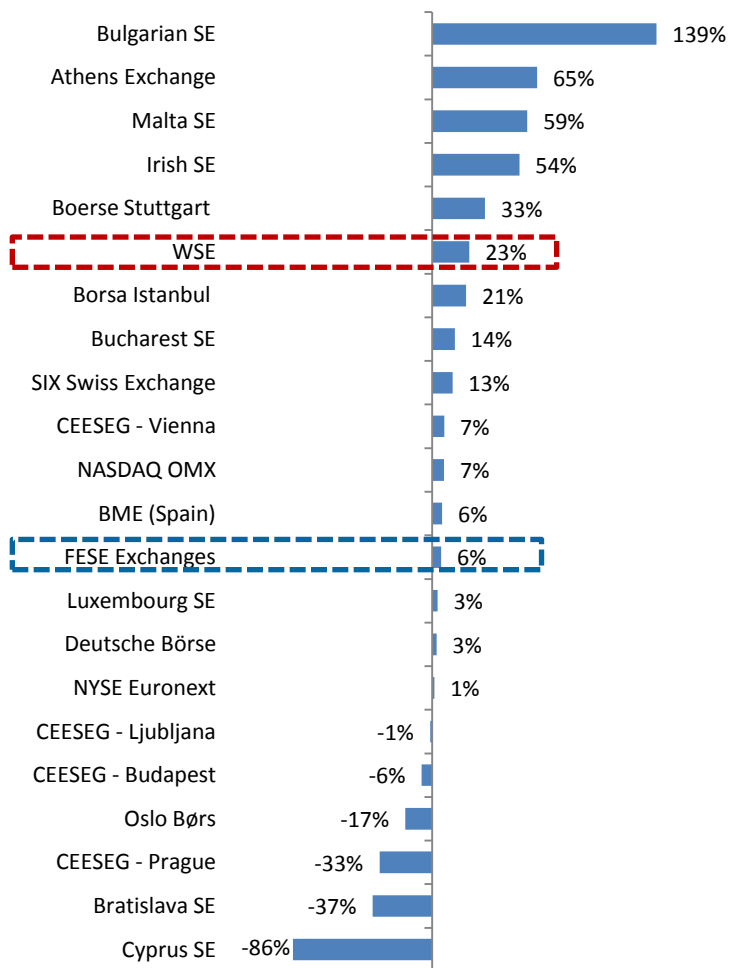
High number of listed companies as significant potential of further growth of turnover and capitalisation on WSE markets and growth of WSE revenues

¹ Source: Data of members of the World Federation of Exchanges, WSE

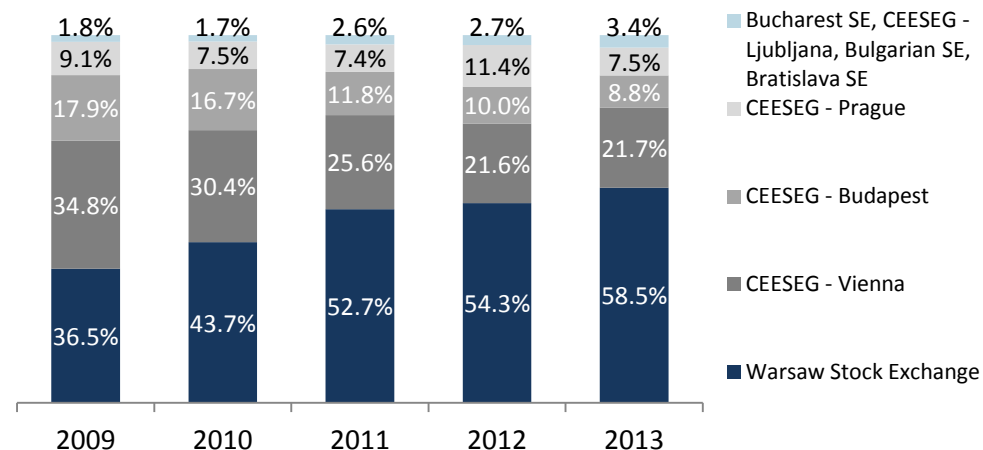
² Source: PwC IPO Watch, PwC IPO Watch Europe Review 2013, for WSE – Main Market and NewConnect in aggregate

WSE's international position: turnover

Growth rate of annual trading in equities in Europe (2013/2012)¹



Share of Region's exchanges in trading in equities²



Volume of trading in index futures in Europe in 2013³

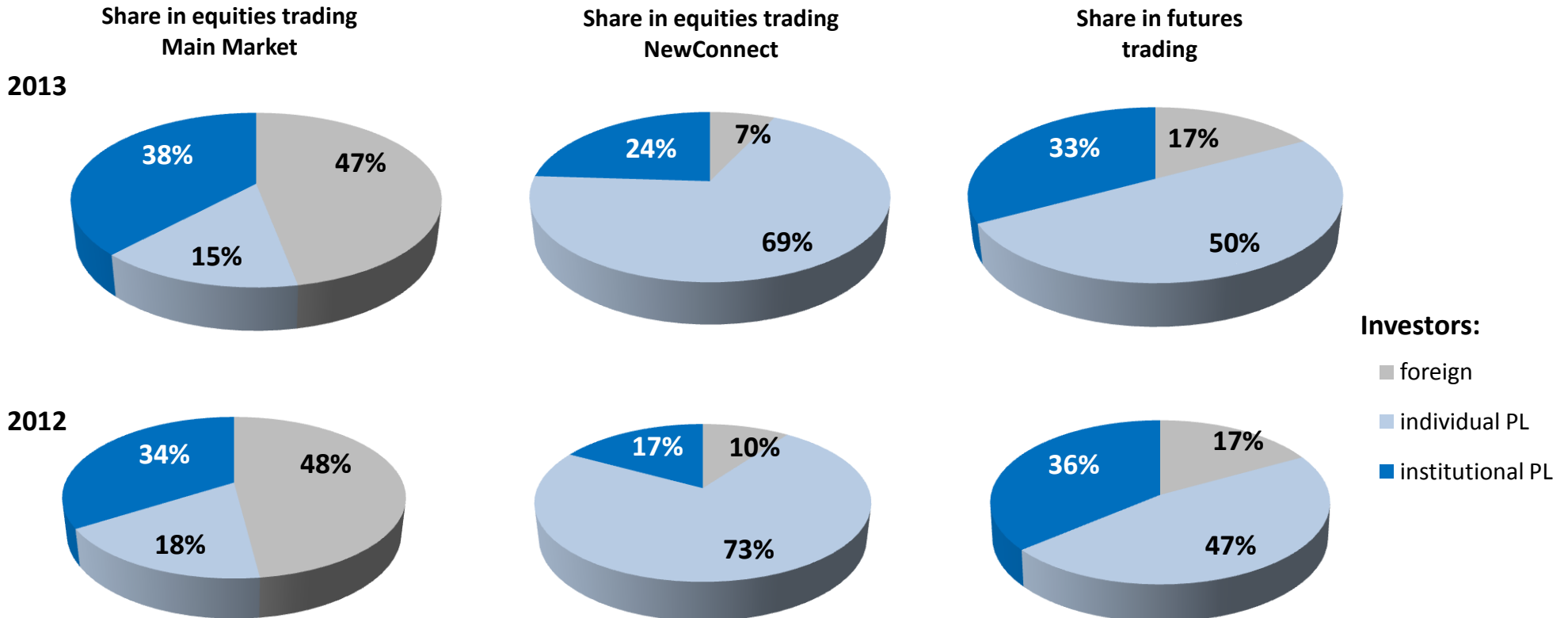
| No. | Exchange / Market | Trading volume |
|----------|---------------------|------------------|
| 1 | EUREX | 327 431 218 |
| 2 | Liffe NYSE Euronext | 82 669 104 |
| 3 | OMX | 30 898 516 |
| 4 | Italy | 9 322 762 |
| 5 | WSE | 8 339 534 |
| 6 | Spain | 7 565 969 |
| 7 | Norway | 3 505 681 |
| 8 | Greece | 2 324 227 |
| 9 | Hungary | 402 264 |
| 10 | Austria | 358 558 |
| 11 | Romania | 2 795 |

¹ Source: FESE (session and block trades in EUR)

² Source: Thomson Reuters, (trading in equities – order book)

³ Source: FESE and exchange websites

Diversified investor base¹



Share of Polish open pension funds (OFE) in equities trading was 6.7% in 2013 v. 5.8% in 2012 and 6.3% in 2008-2012

Number of investment accounts at 2013 YE – 1.49 mn, of which there are 236 thou. active accounts²

¹Source: WSE survey of investment firms, estimates;

²An activ account is an account with at least one transaction concluded in H2 2013

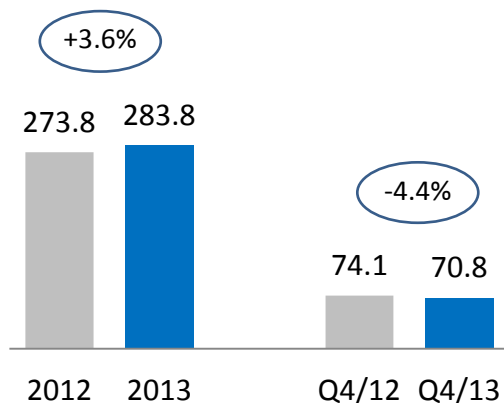


WSE Group Financials

Key financials of the Group

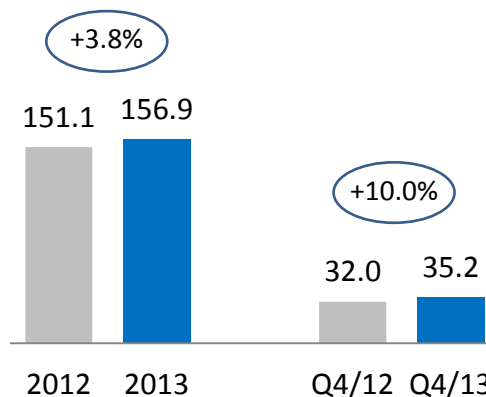
Sales revenue

[PLN mn]



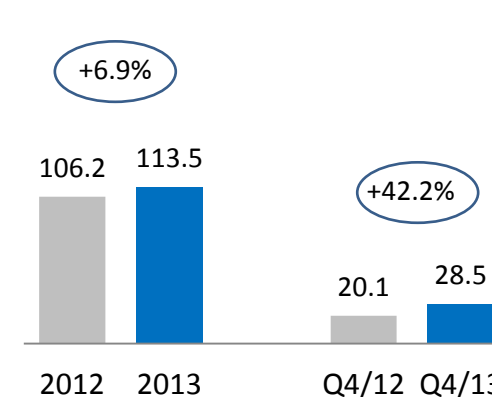
EBITDA¹

[PLN mn]



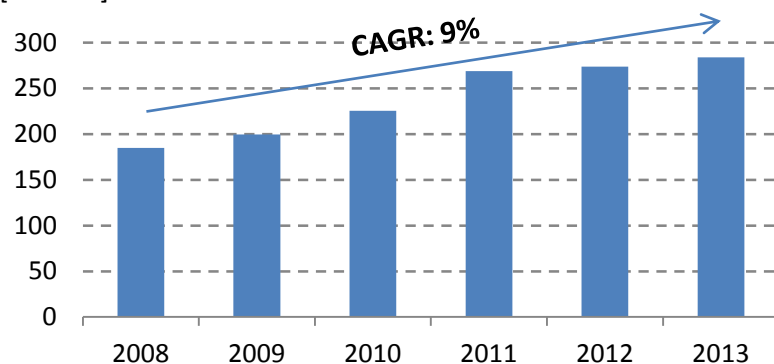
Net profit

[PLN mn]



Sales revenue

[PLN mn]

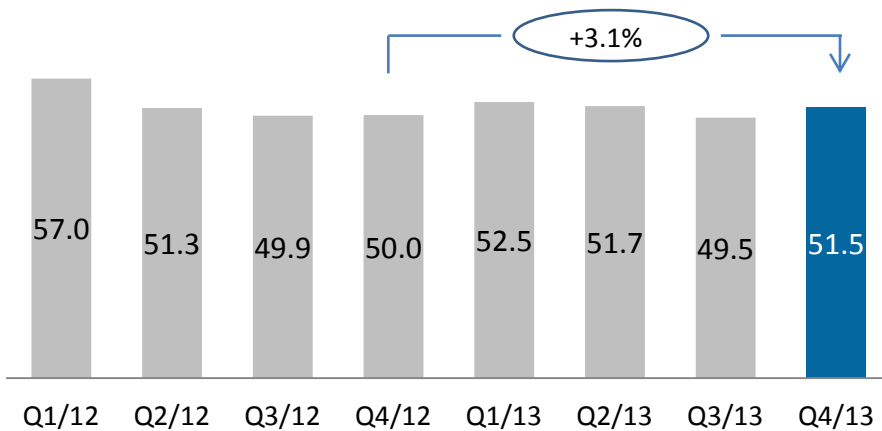


- Recognised tax relief for investment in technology at PLN 7.0 mn in 2013 (PLN 1.1 mn in Q1 2013 and PLN 5.9 mn in Q4 2013)
- Depreciation and amortisation increase in 2013: PLN 9.2 mn, mainly the effect of UTP implementation
- Increase of salaries, among others includes termination benefits and no-competition contracts of former Management Board members

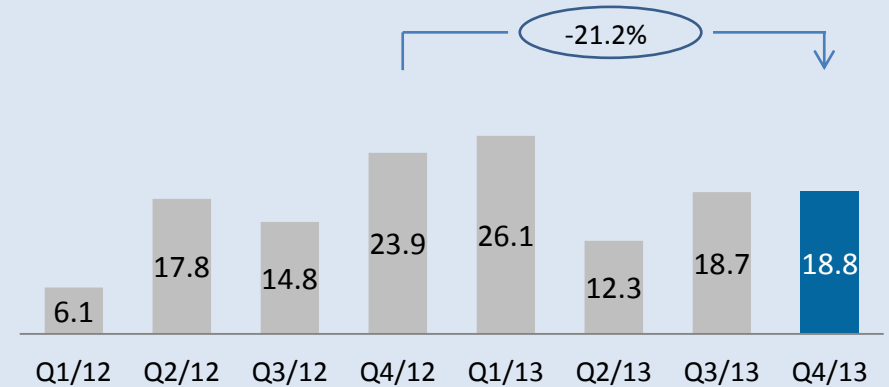
¹EBITDA = operating profit + share of profit of associates + depreciation and amortisation

WSE Group revenues

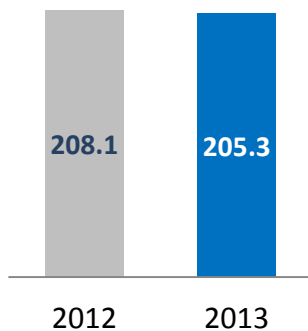
Revenues on the financial market [PLN mn]



Revenues on the commodity market [PLN mn]

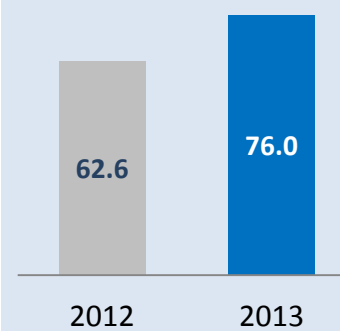


-1.4%



- Reduction of transaction fees since the beginning of 2013
- Lower volume of trading in WIG20 futures and T-bonds

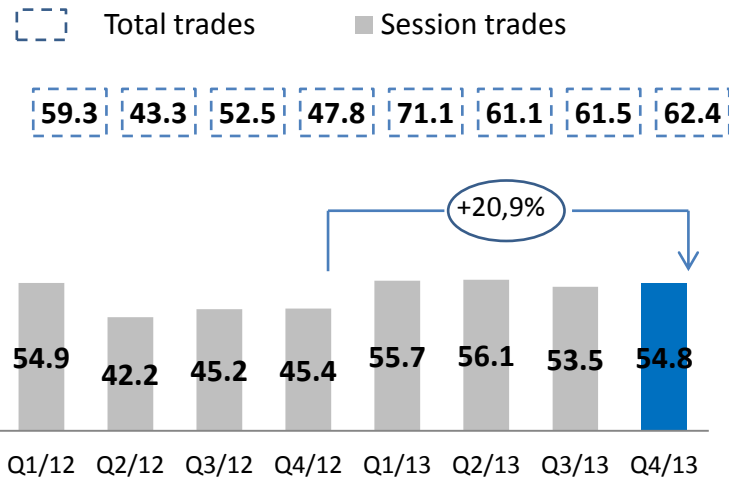
+21.3%



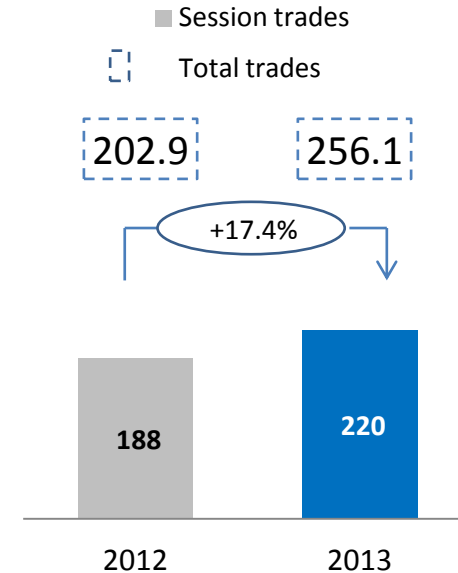
- PolPX consolidated since March 2012
- No support for cogeneration as of Q2 2013

Turnover in equities

Value of trading in equities on the Main Market [PLN bn]

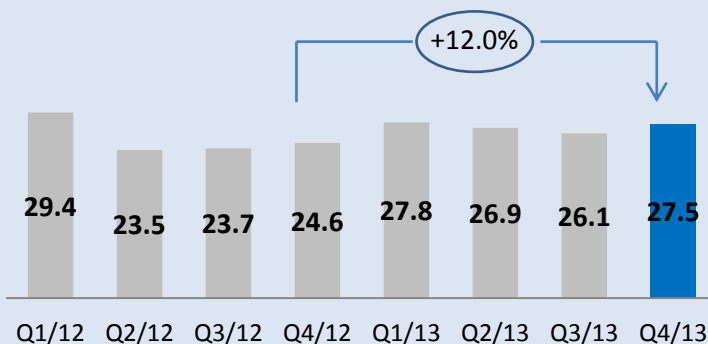


- Total value of trading increased by 19.2% YoY in Q3 2013 and by 26.2% YoY in 2013
- Average daily session trades at PLN 891.3 mn in 2013 v. PLN 753.5 mn in 2012



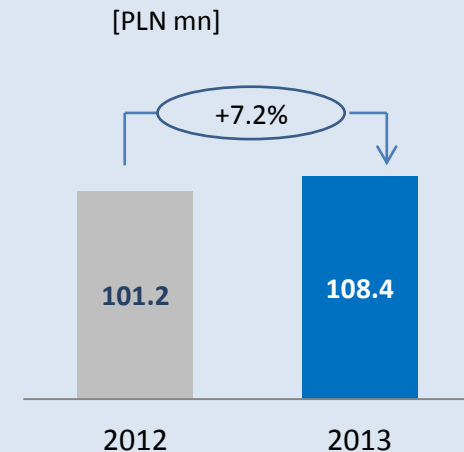
Revenues from trading in equities

[PLN mn]



Revenue drivers:

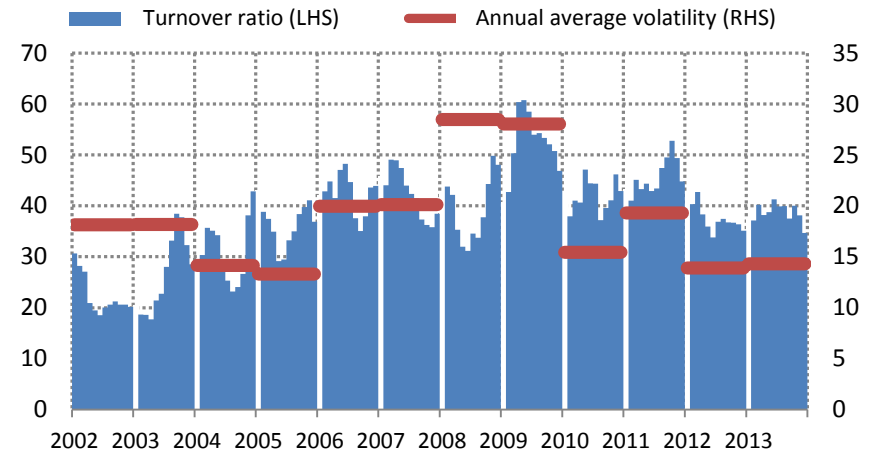
- Change of transaction fees on the equities market as of 1 January 2013 – fixed fee on an order reduced from PLN 1 to PLN 0.2
- Average transaction fee on the Main Market for session trades at 2.39 bps in 2013 v. 2.54 bps in 2012



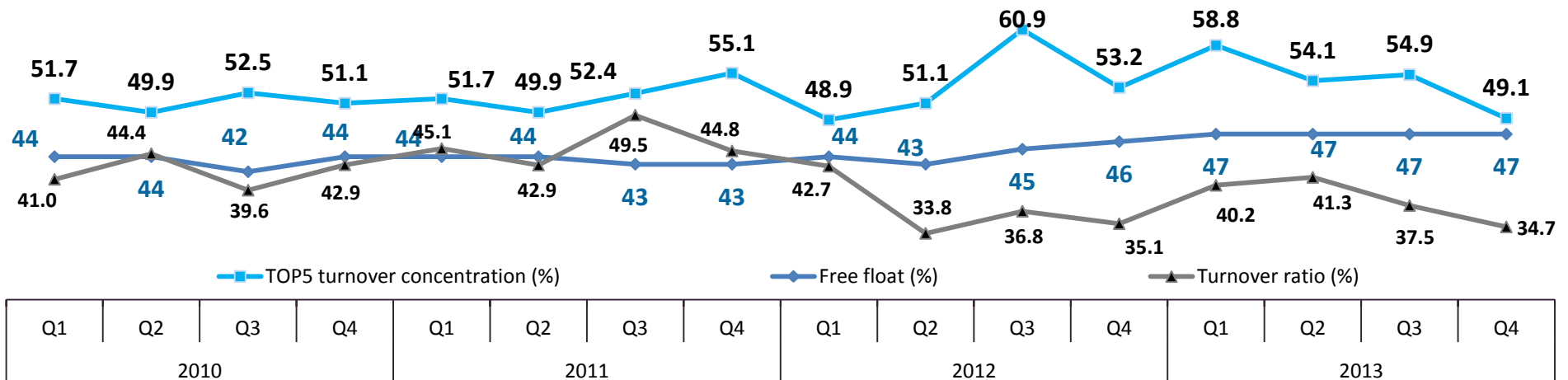
Low volatility on the equities market

- Since 2005, the lowest volatility on the WSE equities market in years 2012 and 2013
- Low volatility limits the activity of investors on the equities and derivatives markets
 - low turnover ratio on the equities market
 - decrease in the volume of trading in WIG20 futures

WSE Main Market turnover ratio v. WIG volatility

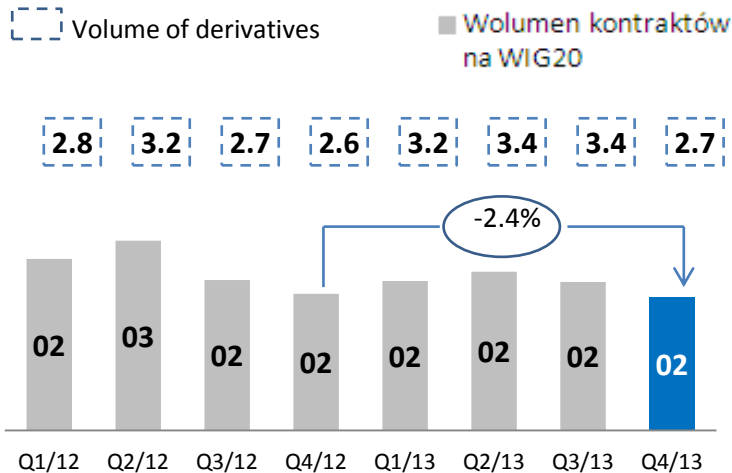


WSE Main Market parameters



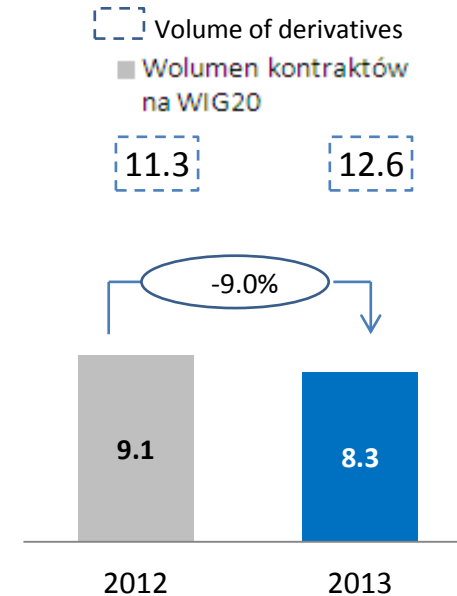
Turnover in derivatives

Volume of trading in derivatives [mn instruments]



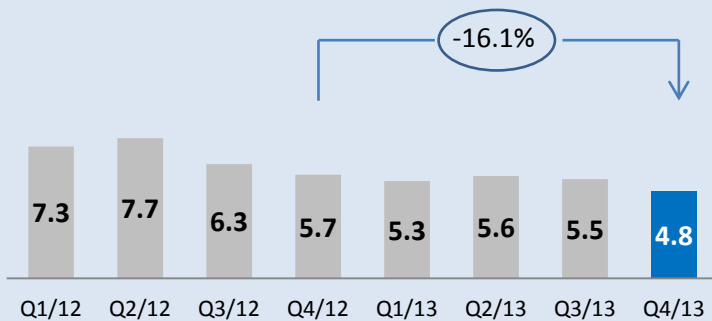
Volume of trading in derivatives increased by 11.3% YoY in 2013

Volume of trading in WIG20 futures decreased by 9.0% YoY in 2013



Revenues from trading in derivatives

[PLN mn]

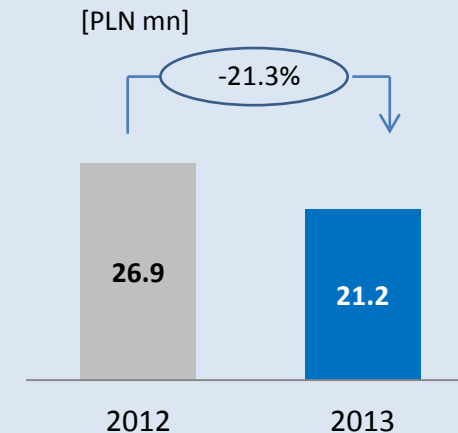


Revenue drivers:

Reduction of fees for futures from PLN 1.7 to PLN 1.6

Introduction of day trading for derivatives and degressive fees

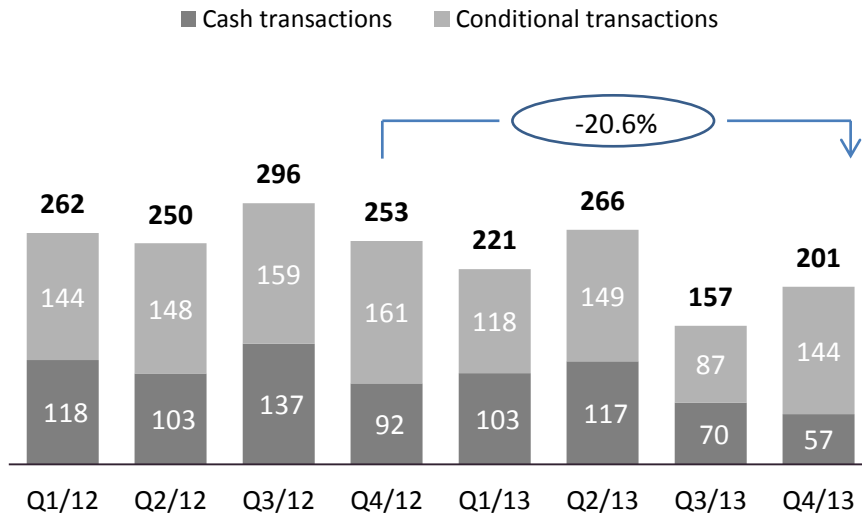
Introduction of PLN 20 multiplier for WIG20 futures in September 2013



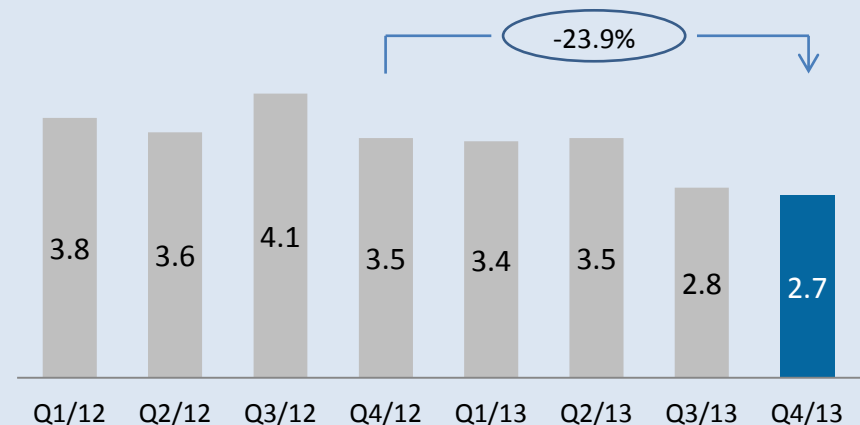
Turnover in bonds

- ❖ Treasury BondSpot Poland selected as the electronic market in Treasury securities for the next two years until 30 September 2016.
- ❖ Value of trading in Treasury bonds on TBSP at PLN 845.0 bn in 2013 (-20.4% YoY)
- ❖ Value of trading in non-Treasury bonds on Catalyst at PLN 3.8 bn in 2013 (+52% YoY) and PLN 0.7 bn in Q4 2013 (+24.8% YoY)

Value of trading on TBS Poland [PLN bn]



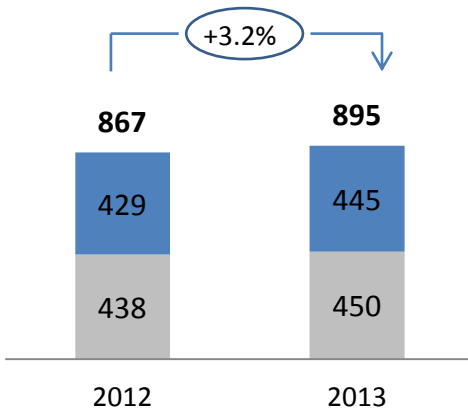
Revenues from trading in bonds [PLN mn]



Issuers and IPOs

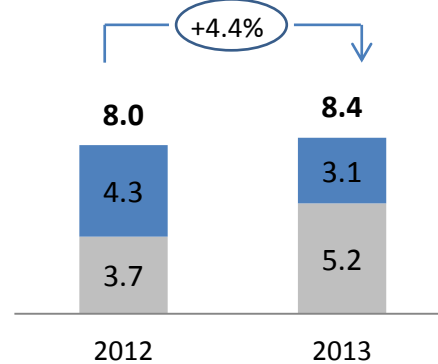
Number of issuers on equities markets

■ Main Market ■ NewConnect



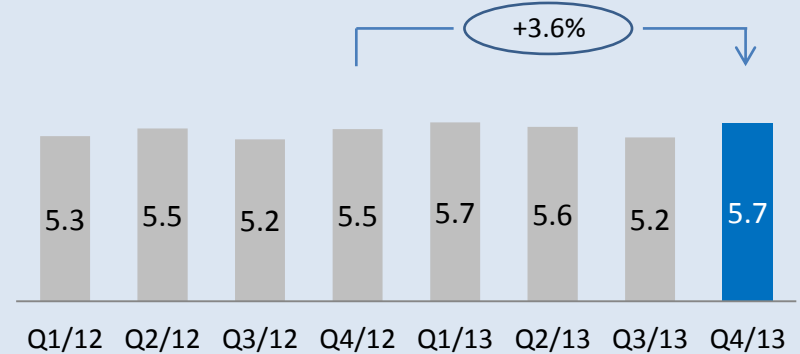
Value of capital raised on equities markets [PLN bn]

■ IPO ■ SPO



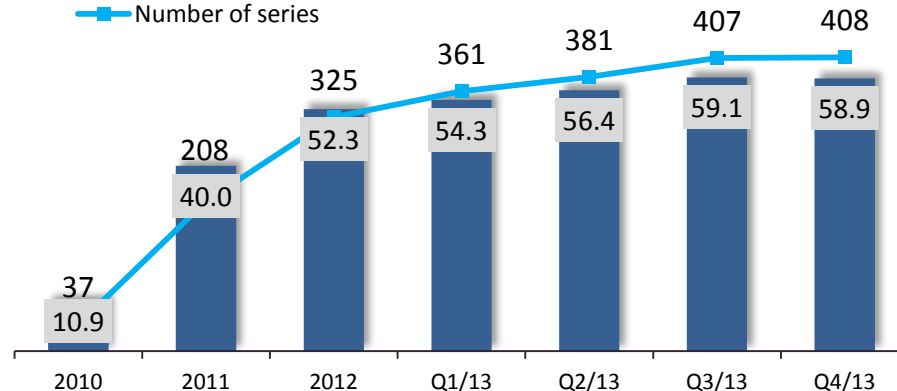
Revenues from listing

[PLN mn]



Catalyst (non-Treasury instruments)

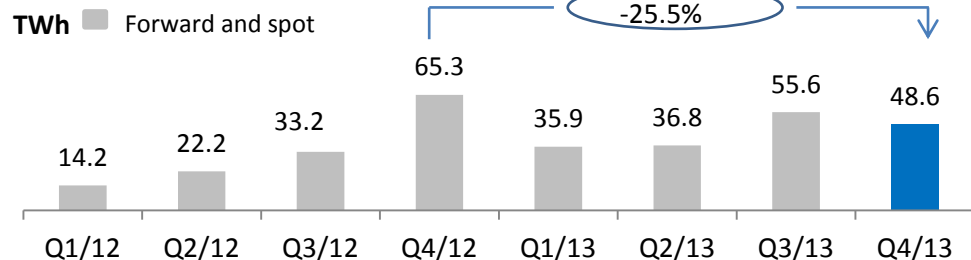
■ Value of listed issues [PLN bn]
— Number of series



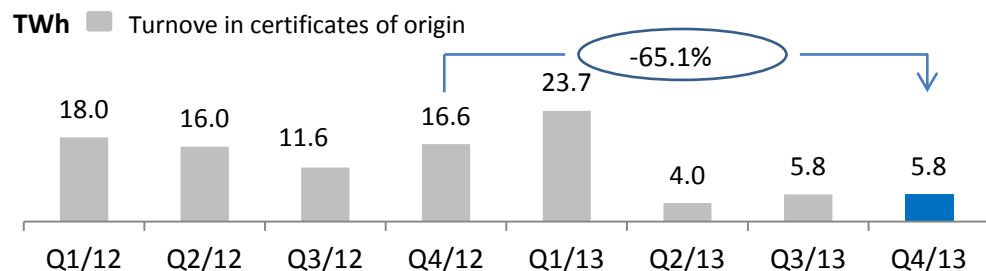
- 65 companies were newly listed on WSE's two equities markets in 2013 including two large privatisation offerings: PKP Cargo and Energa
- Revenues from listing increased by 3.5% YoY to PLN 22.3 mn in 2013
- Higher capitalisation at 2013 YE as a base of listing fees in 2014

Commodity market: trading and RCO

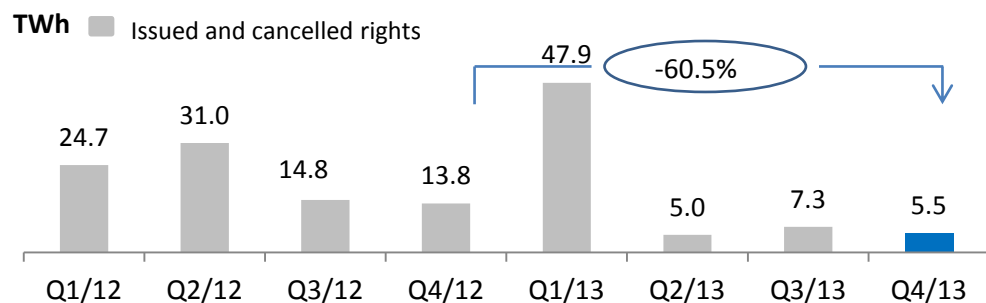
Energy market: volumes



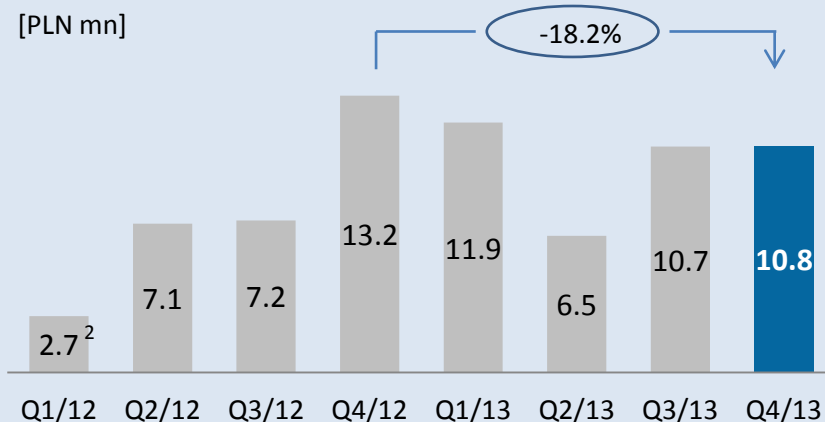
Certificates of origin: volumes



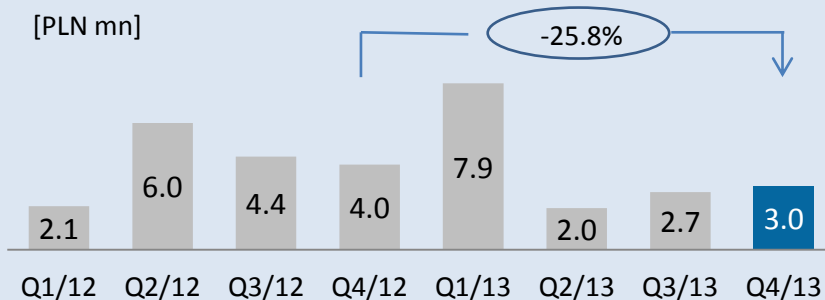
Register of Certificates of Origin: volumes



Revenues from trading on the commodity market¹



Revenues from operation of the Register of Certificates of Origin

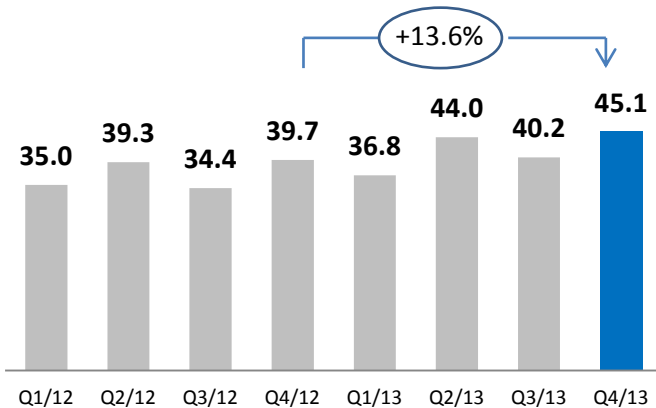


¹ Revenues from trading include revenues from trading in electricity, gas, certificates of origin and other fees paid by market participants

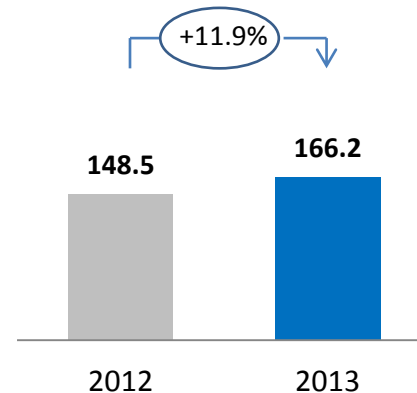
² In Q1 2012, only the month of March was consolidated

Operating expenses

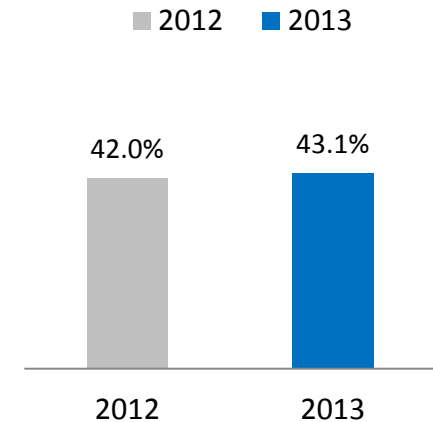
Operating expenses [PLN mn]



Operating expenses [PLN mn]

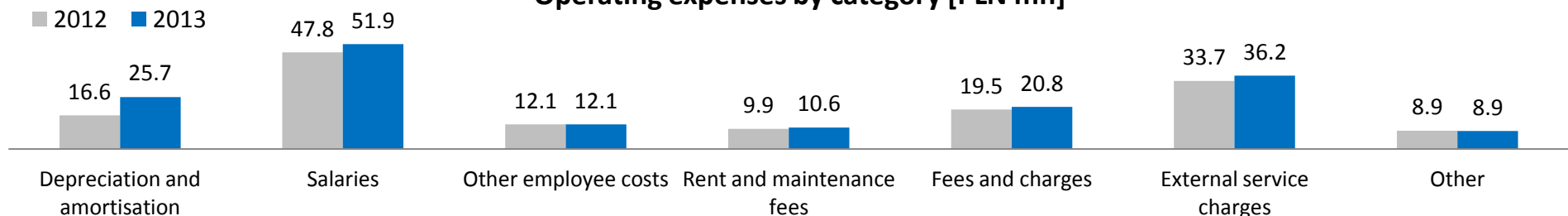


Cost / income ratio¹



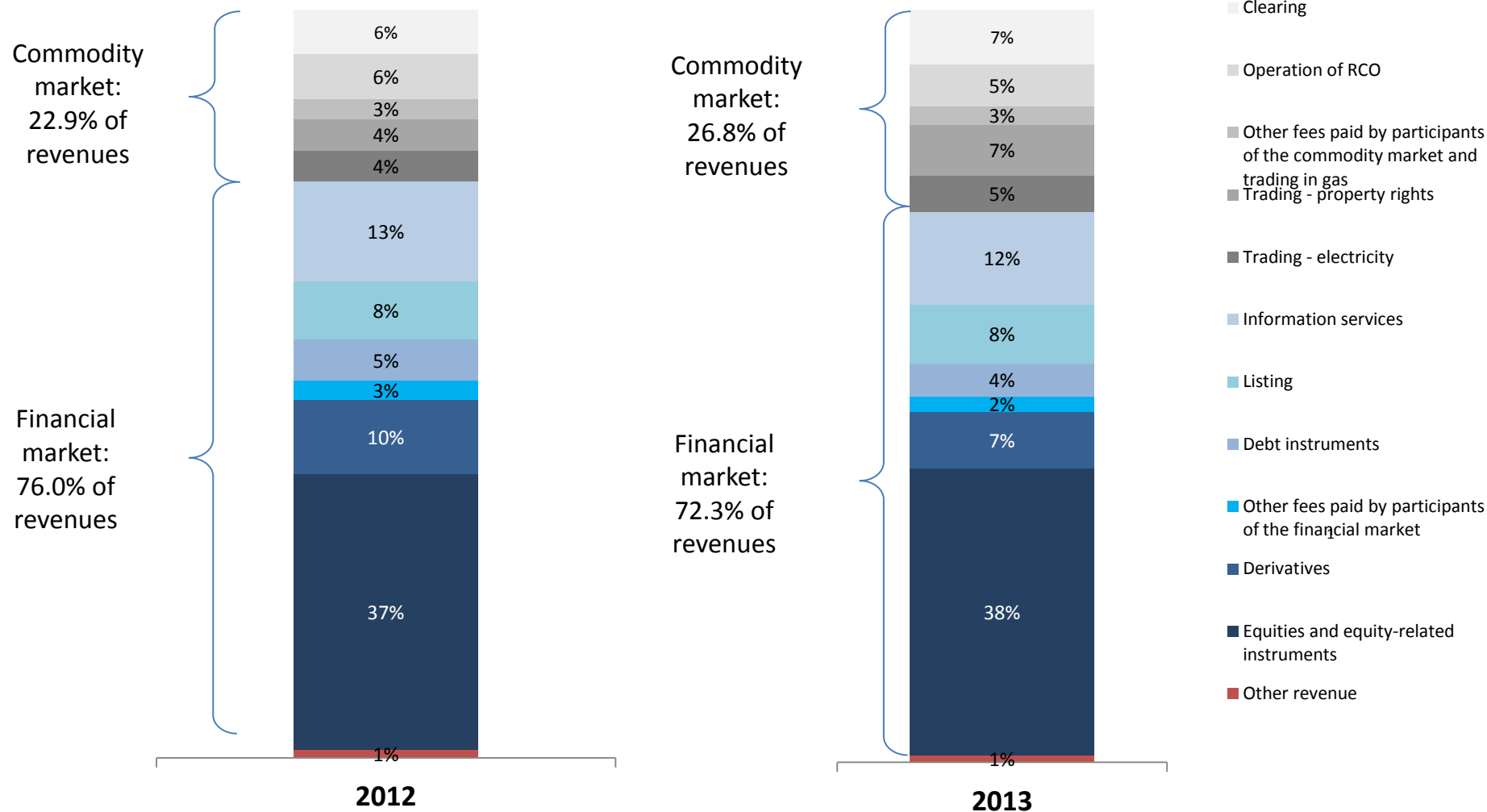
- Operating expenses would increase only by 3.3% if depreciation and amortisation and WSE fees to PFSA were not taken into account and for comparability, PLN 3.3 mn of non-consolidated PolPX Group expenses for January and February 2012 were added to 2012 expenses
- PolPX Group consolidated only for 10 months of 2012
- Depreciation and amortisation increased operating expenses in 2013 by PLN 9.2 mn, mainly effect of UTP implementation WSE paid an additional PLN 0.8 mn of fees to PFSA in Q4 2013; WSE fees to PFSA were PLN 18.25 mn in 2013 v. PLN 16.82 mn in 2012
- Advance fees to PFSA in Q1 and Q2 2014 at PLN 5.2 mn per quarter
- Increase of external service charges due to consulting on new development projects

Operating expenses by category [PLN mn]



¹ Cost / income ratio based on operating expenses net of depreciation and amortisation and WSE fees to PFSA

WSE Group revenue structure



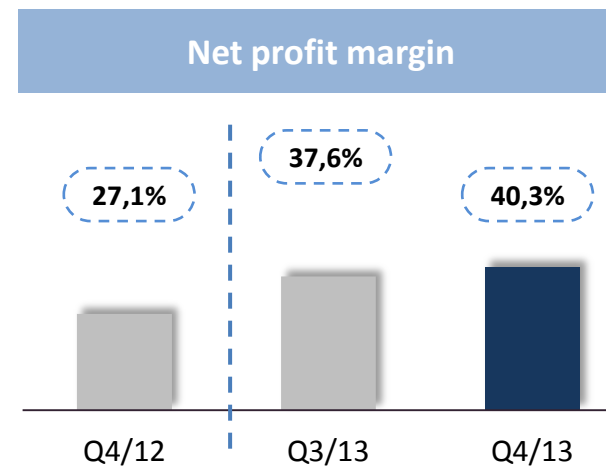
¹ Fees paid by exchange members and other cash market instruments

Financial indicators

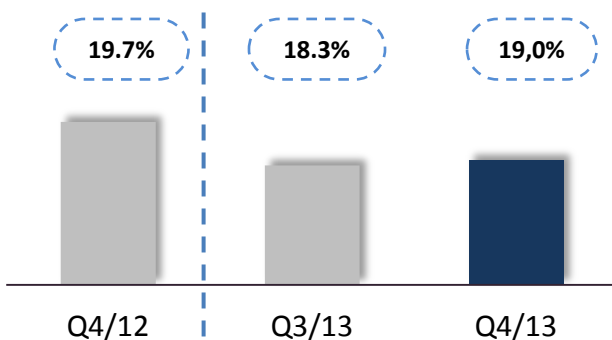


Key financial indicators

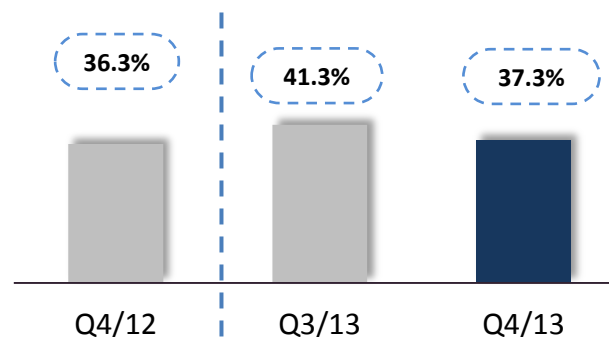
| | 2013 | 2012 |
|----------------------------------|-------|-------|
| EPS [PLN] | 2.70 | 2.52 |
| Cost / income ratio ¹ | 43.1% | 42.0% |
| Operating profit margin | 41.8% | 45.7% |
| Net profit margin | 40,0% | 38,8% |
| EBITDA margin | 55.3% | 55.2% |



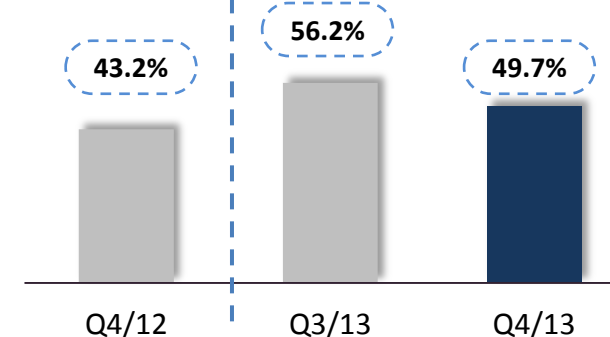
Return on equity (ROE) ²



Operating profit margin



EBITDA margin ³



¹ Cost / income ratio based on operating expenses net of depreciation and amortisation and WSE fees to PFSA

² Net profit for the last 12 months / average equity at the beginning and at the end of the last 12 months

³ EBITDA = EBIT + share of profit of associates + depreciation and amortisation

WSE Group balance sheet

| [PLN'000] | 31.12.2013 | 30.06.2013 | 31.12.2012 |
|---------------------------------------|------------------|------------------|----------------|
| Non-current assets, including: | 576 421 | 568 880 | 512 004 |
| Property, plant and equipment | 124 042 | 128 000 | 133 115 |
| Intangible assets | 269 155 | 268 372 | 209 545 |
| Investment in associates | 158 540 | 154 050 | 151 213 |
| Current assets, including: | 482 707 | 506 026 | 447 020 |
| Trade and other receivables | 34 792 | 40 555 | 62 929 |
| Available-for-sale financial assets | 118 | 428 | 118 |
| Cash and cash equivalents | 436 831 | 460 897 | 378 883 |
| Total assets | 1 059 128 | 1 074 906 | 959 024 |

| | | | |
|--|------------------|------------------|----------------|
| Equity | 638 106 | 584 102 | 555 890 |
| Non-current liabilities, including: | 249 578 | 247 950 | 247 842 |
| Liabilities under bond issue | 243 617 | 243 387 | 243 157 |
| Current liabilities, including: | 171 445 | 242 855 | 155 292 |
| Trade payables | 12 738 | 3 518 | 4 284- |
| Corporate income tax payable | 657 | 298 | 2 549 |
| Other liabilities and provisions | 144 035 | 227 042 | 135 885 |
| Employee benefits payable | 11 511 | 11 997 | 12 574 |
| Total equity and liabilities | 1 059 128 | 1 074 906 | 959 024 |

- ❖ Intangible assets increased as a result of UTP implementation
- ❖ 'Cash and cash equivalents' includes PLN 125.3 mn of assets of the WCCH clearing guarantee system (restricted cash); reflected in other liabilities
- ❖ WSE Group's non-current liabilities mainly include WSE liabilities under bond issue

WSE IR Events

11-13 March 2014

CEEMEA 1x1 Conference, London, organised by J.P. Morgan Cazenove

19-20 March 2014

Emerging Market Conference, New York, organised by Espirito Santo

2-4 April 2014

Polish Capital Market – London 2014, London, organised by PKO BP

30 April 2014, Wednesday

Q1 2014 results

31 July 2014, Thursday

H1 2014 results

31 October 2014, Friday

Q3 2014 results

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