

PRESENTATION OF RESULTS OF WSE GROUP IN 2012

FEBRUARY 2013



WSE Group milestones in 2012

❖ Acquisition of Polish Power Exchange by WSE

- P/E of the acquisition based on PolPX 2011 and 2012 earnings at 8.3 and 5.7 respectively
- 100% PolPX shares held by WSE at 2012 YE
- Acquisition financed with bond issues at attractive interest rate (WIBOR 6M + margin 117 bp)
- WSE bonds floated on Catalyst

❖ Stronger international position of WSE

- #1 in Europe by number of IPOs and #5 by value of IPOs¹
- WSE's share in CEE equities trading² increased to 54.2%

❖ Reduction of transaction fees on equities and futures markets (effective as of 1.1.2013)

❖ Changes on the Management Board of Warsaw Stock Exchange

- Adam Maciejewski, former WSE Management Board Member, appointed as the President of WSE Management Board
- Paweł Graniewski of WSE Supervisory Board temporarily delegated to WSE Management Board

273.8

PLN mn
sales revenues 2012
+1.9% YoY

106.2

PLN mn
net profit 2012
-20.8% YoY

55.2%

EBITDA margin
2012
-6.1 pp YoY

WSE shares on the Exchange

Capitalisation ³	PLN 1.7 bn
Average trading value per session ⁴	PLN 2.9 mn
Free float ³	64.6%
Turnover ratio ⁵	43%

¹ Source: PwC IPO Watch; ² Stock exchanges in Austria, Czech Rep., Hungary, Slovenia, Slovakia, Romania and Bulgaria

³ As at 31.01.2013; ⁴ For the period 1.01.2012 - 31.01.2013

⁵ Turnover in 12 months ended 31.01.2013 to capitalisation as at 31.01.2013

PolPX: Gas Exchange opened (20.12.2012)



Finalisation of UTP implementation project

Product range expansion and quality improvement

- new classes of derivatives and structured products; new indices (WIG-CEE, WIG20TR)
- trading in EUR denominated Treasury bonds on TBSP (as of 21.1.2013)



New services of KDPW Group, a WSE associate

- KDPW – trade repository launched as of 2.11.2012
- KDPW_CCP – OTC derivatives clearing functioning as of 2.1.2013



WSE Group key goals 2013

Make WSE more attractive to market participants

- ⌘ improve liquidity of trading on WSE
- ⌘ stimulate growth of derivatives market
- ⌘ enhance quality of NewConnect and Catalyst
- ⌘ deepen dialogue with WSE stakeholders

Attract new investors and issuers

- ⌘ strengthen retail investor segment on WSE markets
- ⌘ attract foreign issuers also from outside CEE Region
- ⌘ intensify promotion of WSE to investors from outside CEE Region

Implement UTP and develop technology infrastructure

- ⌘ launch UTP transaction system in April 2013
- ⌘ initiate new technology project for derivatives market
- ⌘ launch collocation services (High Performance Access)
- ⌘ upgrade technology on other WSE Group markets

Restructure and optimise WSE Group

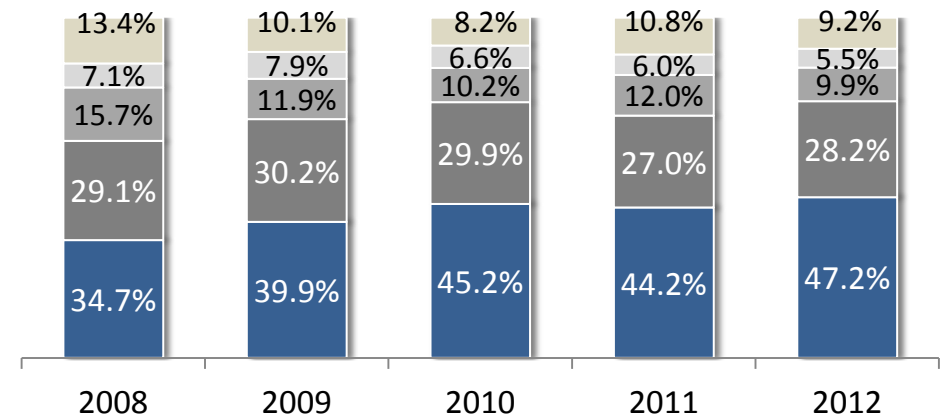
- ⌘ create synergies within WSE Group
- ⌘ integrate IT services to improve technology security and optimise costs in WSE Group
- ⌘ improve quality of management of WSE and companies from the Group through state-of-the-art organisation and technical solutions

Update strategy

- ⌘ actively participate in development of strategy for the Polish capital market including WSE strategy update

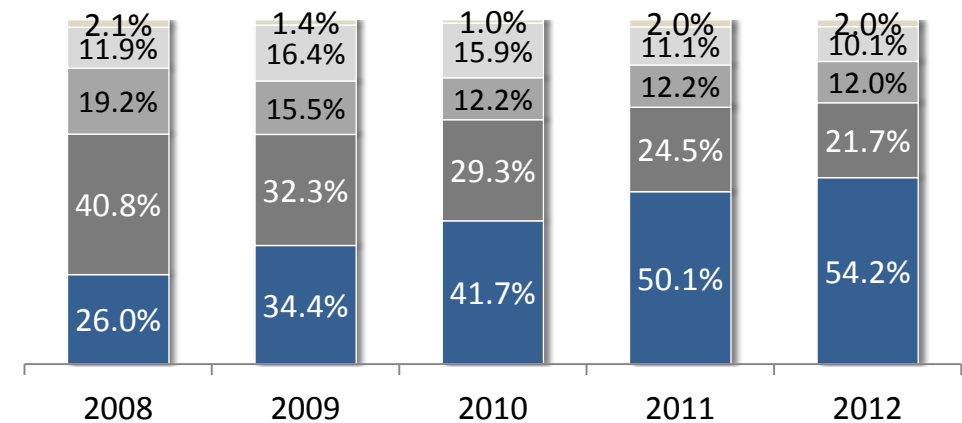
Maintained strong position of WSE in CEE

Exchanges' share in capitalisation of shares in CEE



- Decrease of trading in equities less sharp than on other CEE exchanges in 2012
- Lowest concentration of trading in top 5 liquid shares: 54% on WSE in 2012, 60% to 98% on other CEE exchanges

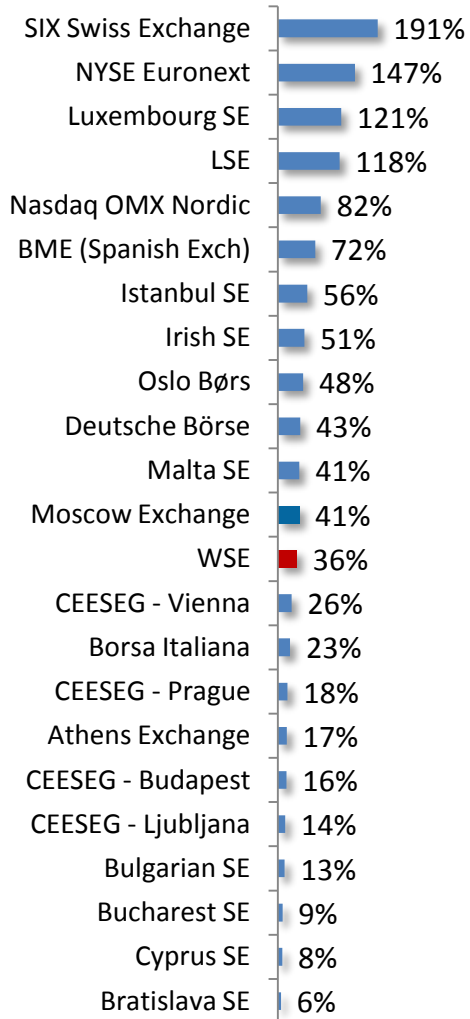
Exchanges' share of exchanges in trading in shares in CEE



■ Bucharest SE, CEESEG - Ljubljana, Bulgarian SE, Bratislava SE
■ CEESEG - Budapest
■ CEESEG - Prague
■ Warsaw Stock Exchange
■ CEESEG - Vienna

WSE business expansion drivers

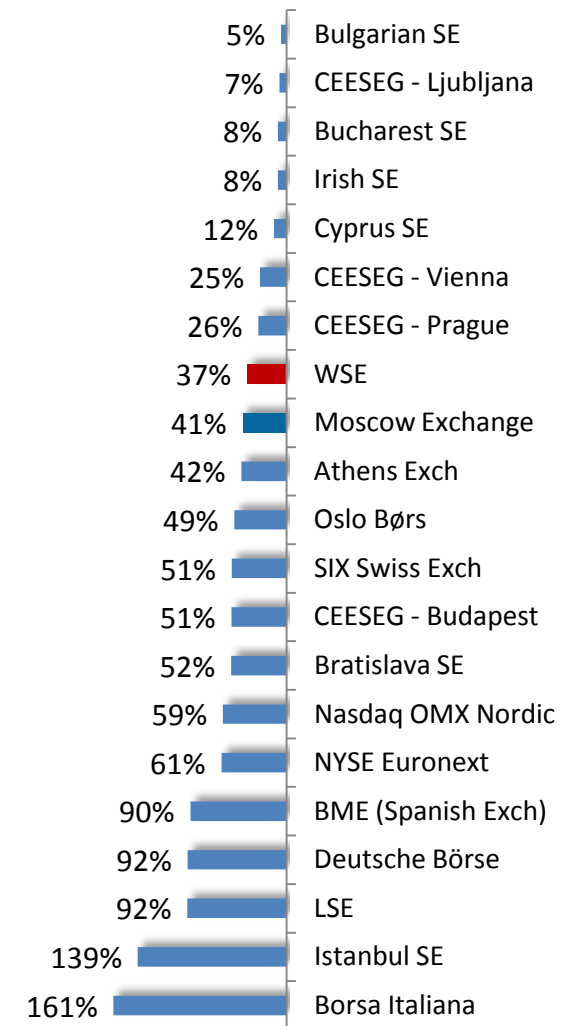
Capitalisation of domestic companies/GDP (%)¹



WSE expansion drivers in 2012 and beyond

- ◆ Large and growing economy
 - ✓ 8th economy in UE, 22nd economy world-wide by GDP; biggest CEE economy
- ◆ High quality and competitiveness of capital market infrastructure
- ◆ Attractive to foreign capital
- ◆ Expansion of the private corporate sector in Poland and growing importance of WSE to such companies
 - ✓ IPO of Alior Bank in December 2012 at PLN 2.1 bn, biggest IPO of a private company in WSE history
- ◆ Strong institutional investor segment in Poland
 - ✓ Pension funds' AuM: PLN 271 bn; Investment funds' AuM: PLN 146 bn
- ◆ Active retail investor segment
 - ✓ 1.51 mn investment accounts; PLN 1.35 tn of household savings, incl. 45% in cash and deposits
- ◆ Continued privatisation by State Treasury
 - ✓ WSE is the main platform for sale of State-owned companies

Turnover ratio²

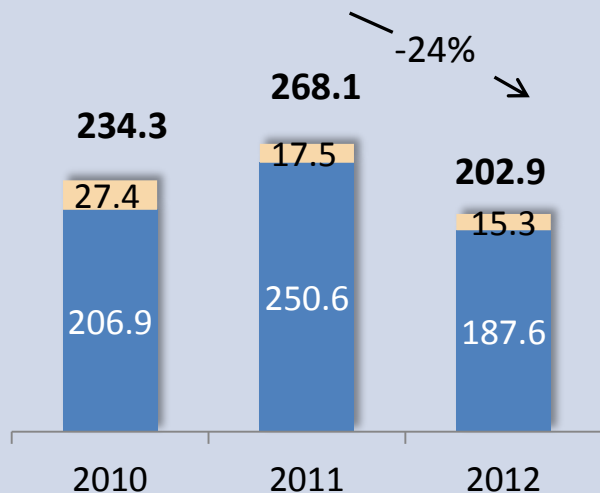


¹ Capitalisation of domestic companies at 2012 YE according to FESE and LSE Group to GDP in 4 quarters (Q4 2011 – Q3 2012), figures for Moscow Exchange at 2012 YE according to WFE to GDP 2012 according to IMF forecast, ² Average of monthly turnover ratios in 2012 (annualised turnover in shares of domestic companies to capitalisation at month's and previous month's end), source: FESE, WFE, Eurostat, IMF

Trading on financial market

Value of trading in shares on WSE Main Market (PLN bn)

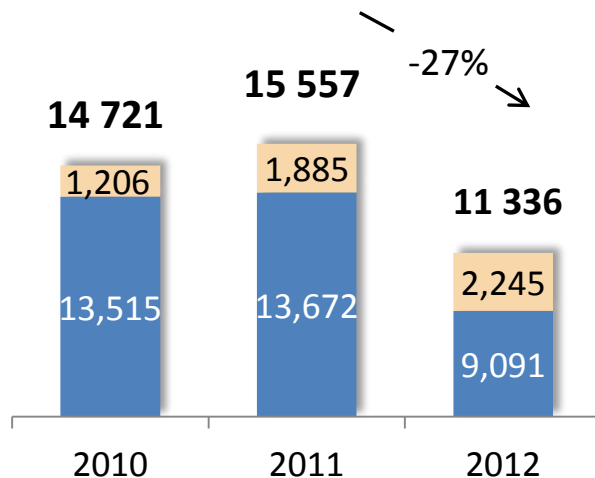
■ block trades ■ session trades



- record-high trading in 2011 as a high statistical basis for 2012
- decrease of trading in 2012 driven by global downturn (world-wide trading down by 22.4% YoY on average¹)

Volume of trading in derivatives (thou.)

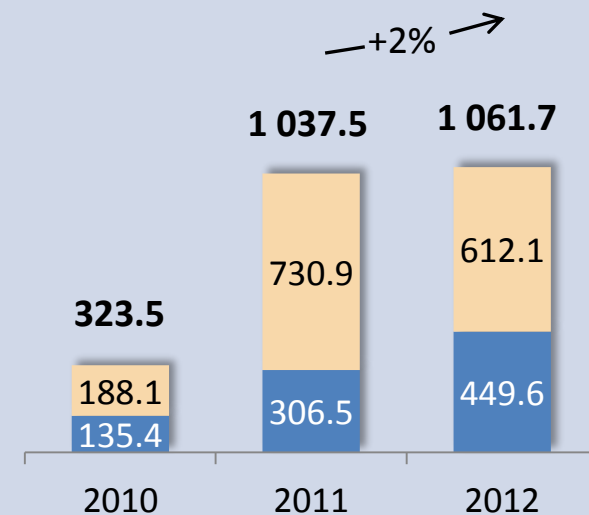
■ single-stock & currency futures, options, index units ■ index futures



- less investor activity on derivatives markets due to decrease of trading in shares and low volatility of the underlying

Value of trading in Treasury bonds on TBSP (PLN bn)

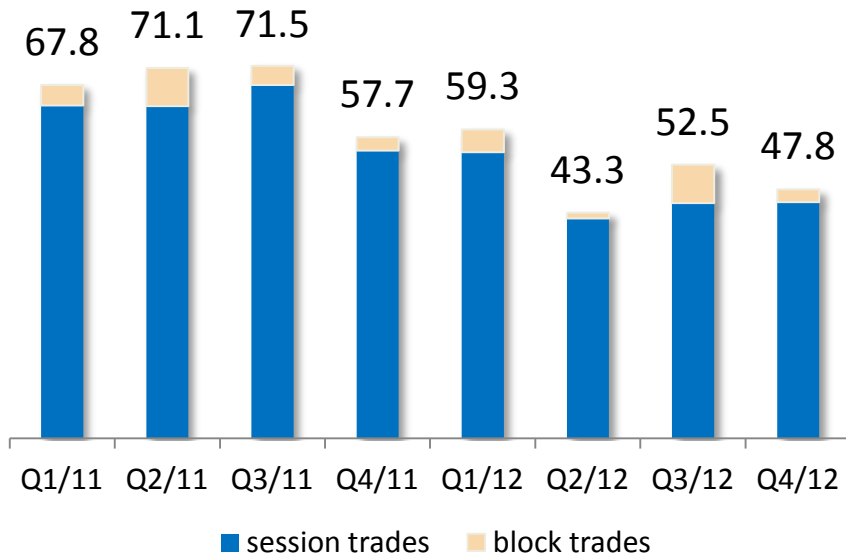
■ conditional transactions ■ cash transactions



- value of cash transactions up by 47% - they are key to TBSP revenues
- maintained TBSP share in secondary trading in Treasuries (9.6%)

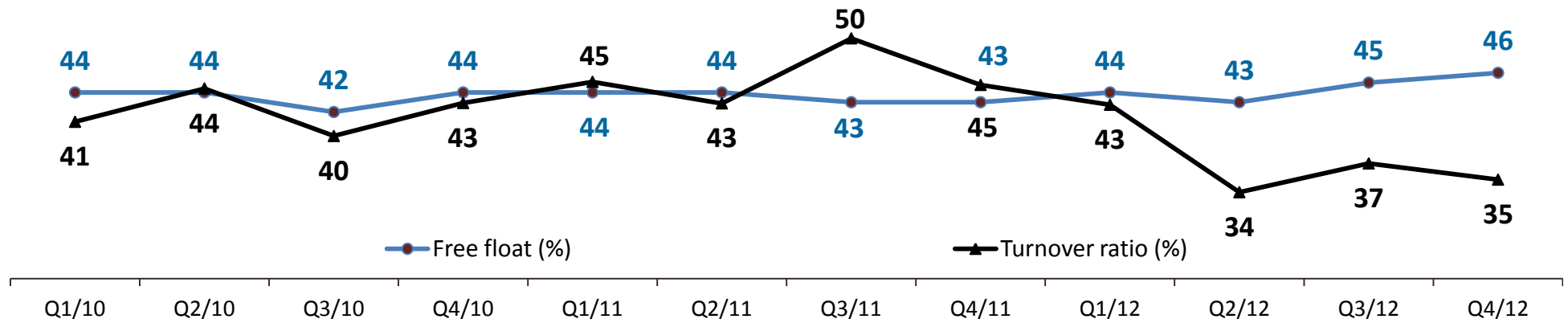
Equities trading on Main Market

Value of trading in shares (by quarter, PLN bn)

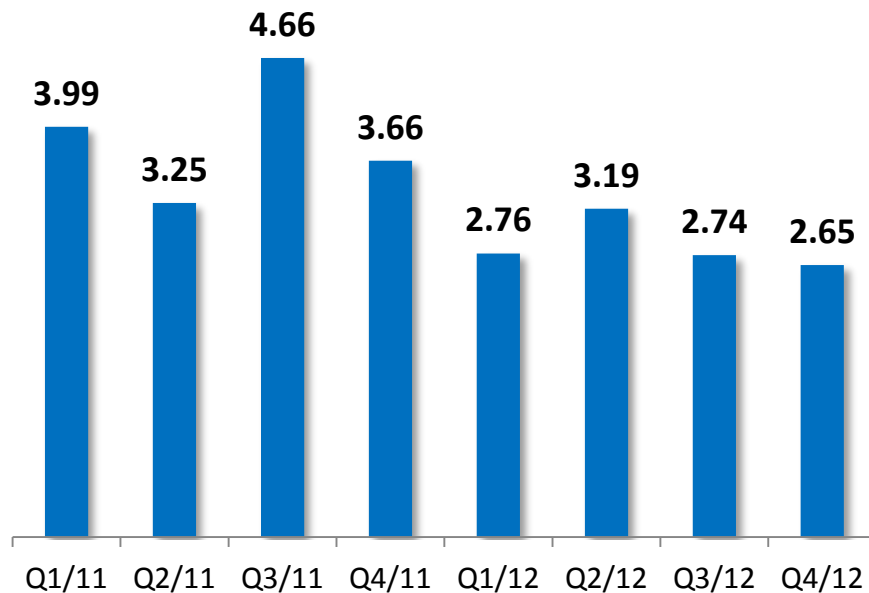


- ⚙ increase of free float to total capitalisation
- ⚙ increase of free float ratio to 47.5% in January 2013 following sale of two large blocks of shares in PKO and Pekao (by State Treasury and UniCredit respectively)
- ⚙ turnover ratio below long-term average (42%) driven by decrease of turnover and increase of capitalisation

Free float and turnover ratio



Volume of trading in derivatives (by quarter, mn contracts)¹



- Lower volume of trading in futures driven by low WIG20 volatility and WIG20 parallel trend prevailing for the first half of 2012

Plans for 2013:

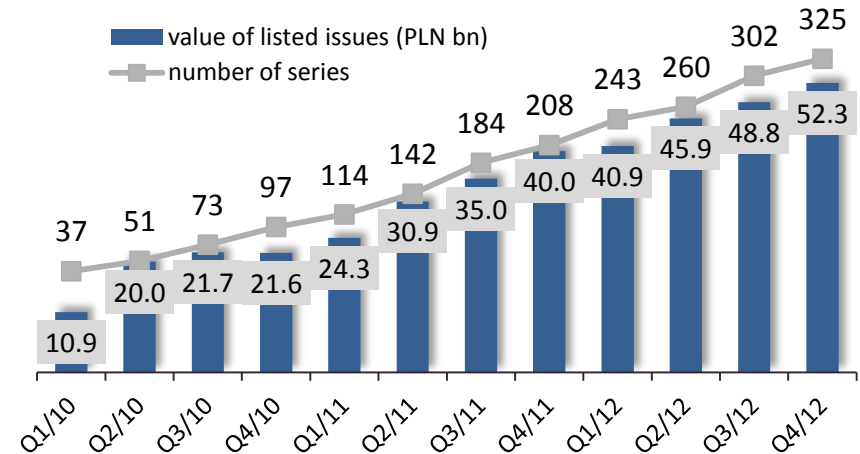
- launch derivatives market stimulation programme
- introduce derivatives with Treasury bonds and WIBOR as underlyings
- introduce cash-settled commodity derivatives
- introduce stock options

¹Since 1 May 2012, the volume of trading in currency futures is calculated on the basis of a trading unit of 1,000 (previously 10,000). Consequently, the total volume of trading in derivatives in Q2 2012 and subsequent quarters is not fully comparable to earlier periods.

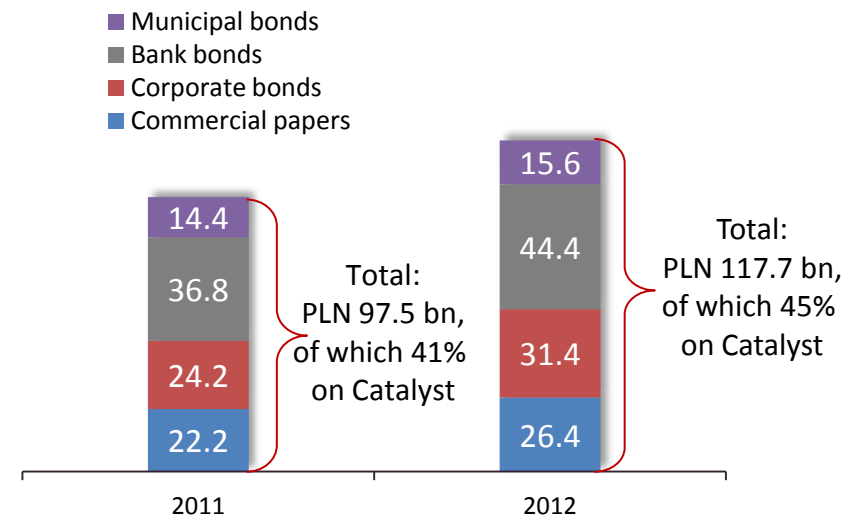
Non-Treasury bond market Catalyst

- Growing importance of Catalyst on Poland's non-Treasury securities market
 - issues listed on Catalyst at 2012 YE were 45% of all of Poland's non-Treasury issues by value
 - issues listed on Catalyst at 2012 YE were 57% of Poland's non-Treasury issues (net of short-term debt) by value
- Debt issued by corporates and financial institutions at 2012 YE at 6.7% of Polish GDP¹ (5% at 2011 YE)
 - Large growth potential of debt market compared to other countries
 - In most Western European countries, non-Treasury debt to GDP at 100% to over 300%

Catalyst (non-Treasury instruments)



Growth of Poland's non-Treasury securities market (value of listed issues at end of period; PLN bn)



¹ GDP of 4 quarters (Q4 2011 – Q3 2012). Source: Polish Central Statistical Office.

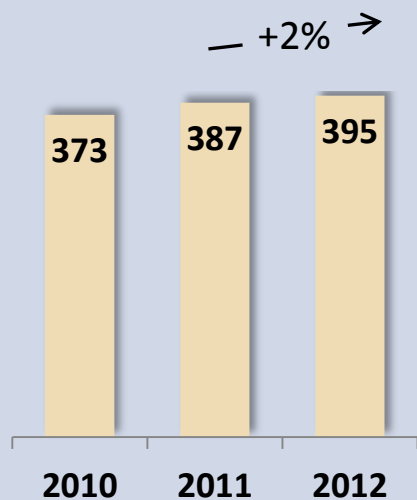
Source: Fitch Polska

More listings on WSE markets

WSE: an important platform for raising capital



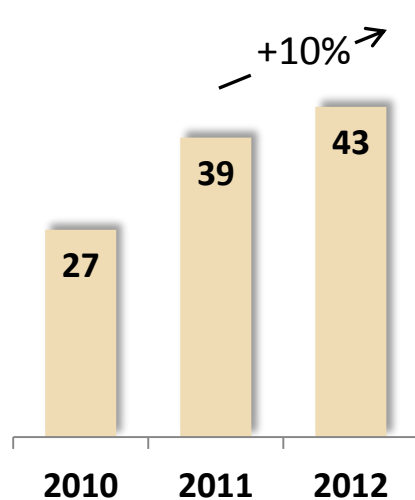
Main Market
domestic companies



IPO of Alior Bank (Dec. 2012) – biggest IPO of private company in WSE history



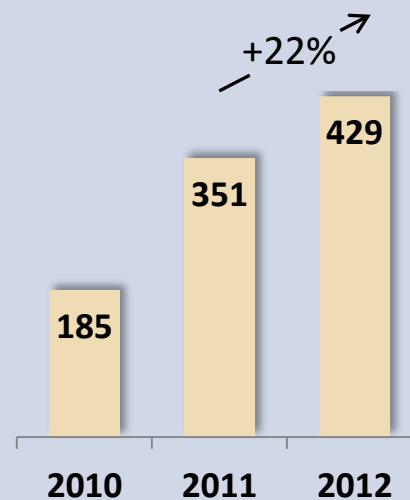
Main Market
foreign companies



WIG-CEE – new regional index of WSE



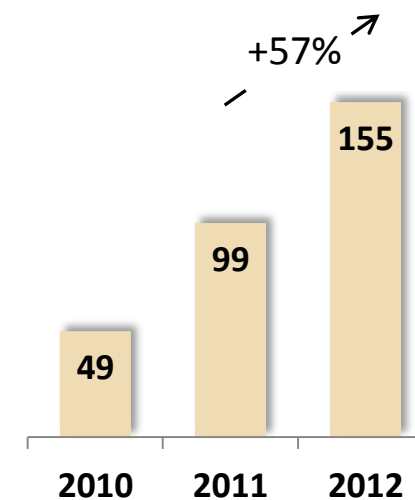
companies



#1 by number of IPOs on Europe's alternative markets¹



issuers



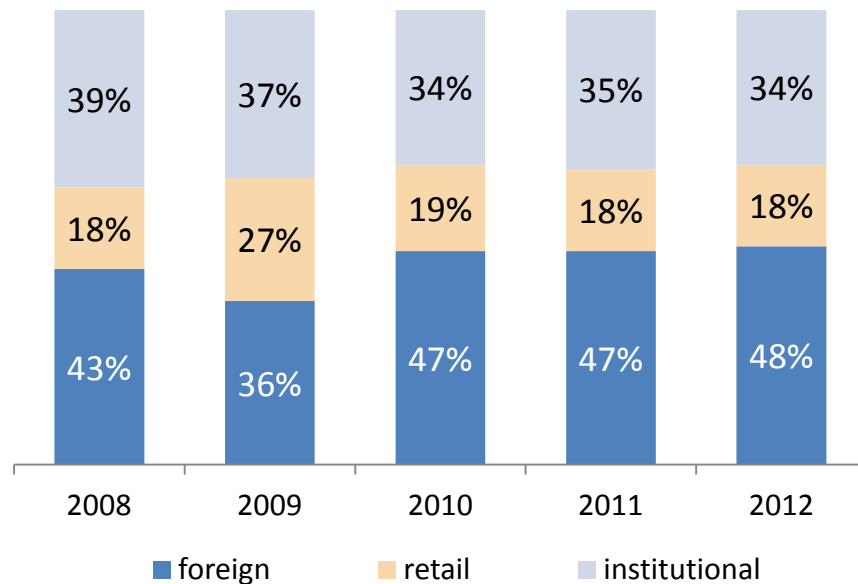
Value of issues listed at 2012 YE at PLN 52.4 bn (up by 30.9%)

¹Source: PwC (excluding transfers between markets of the same group, e.g., from NewConnect to WSE Main Market)

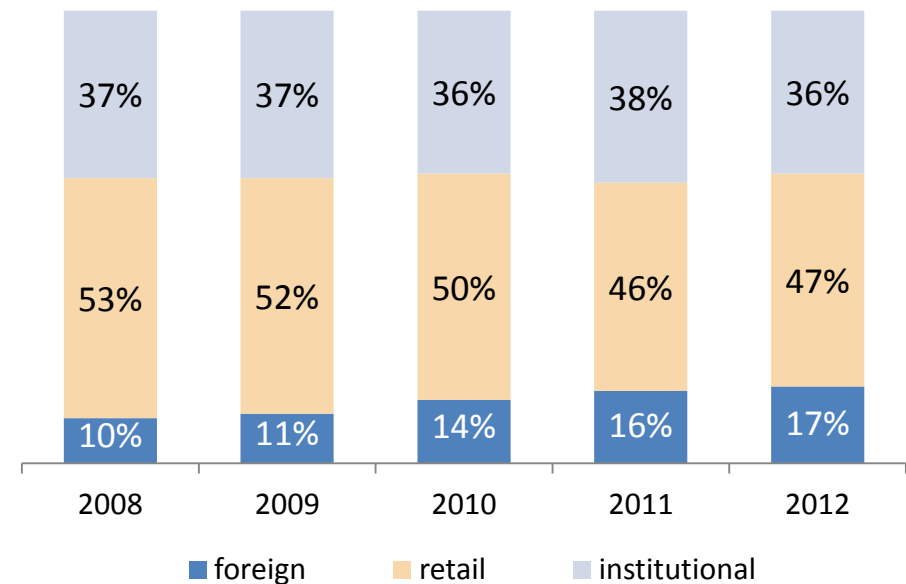
²Only non-Treasury bonds

Balanced investor structure¹

Investor structure on WSE Main Market in equities



Investor structure on derivatives market



🔗 Share of Polish investment funds in trading in equities in 2012 at ca. 10%

🔗 Share of Polish pension funds in trading in equities in 2012 at ca. 6%

🔗 Number of active investor accounts decreased to 244 thousand in H2 2012 (from 278.7 thousand in H1 2012 and 325.2 thousand in H2 2011)²

2010

Acquisition of Electricity Trading Platform (poe) in 2010

Launch of poee WSE Energy Market initiated the addition of commodity markets to WSE Group's business model. It was the first step in market integration.

2011/
2012

Acquisition of Polish Power Exchange – taking control of organised trading in electricity in Poland

100% of PolPX shares held by WSE Group at 2012 YE
Price paid for 97.67% of shares in 2012: PLN 213.9 mn (P/E 2011=8.3; P/E 2012=5.7).

2012/
2013

Consolidation of electricity trading within PolPX Group

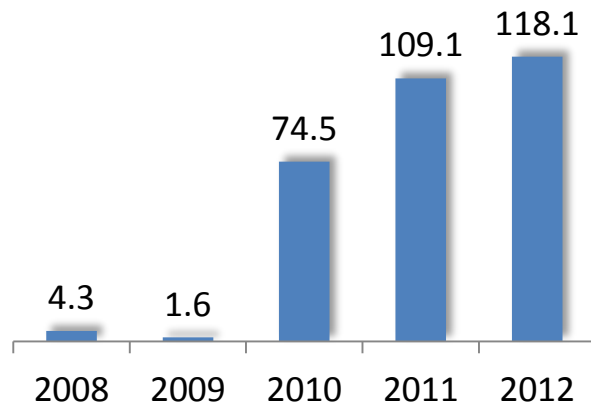
- ✓ Impairment write-down of poee goodwill (WSE: PLN 7.9 mn; WSE Group: ca. PLN 9.3)
- ✓ Sale of poee commodity market assets to PolPX Group
- ✓ Concentration of electricity trading in PolPX; poee WSE EM to be discontinued after the end of March 2013

Total cost in years 2010-12 to WSE Group for acquisition of PolPX and poee at PLN 224.1 mn.

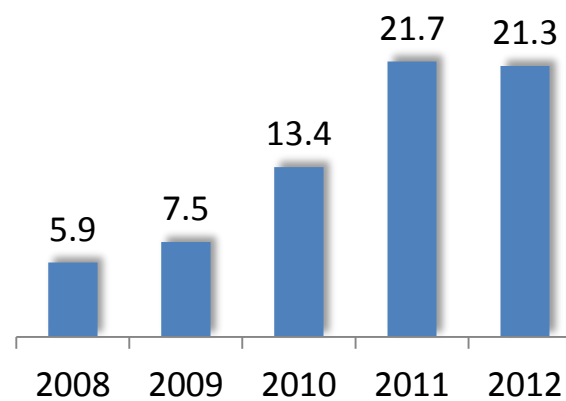
Commodity market expansion

Volume of trading on commodity markets operated by WSE and PoIPX (TWh)

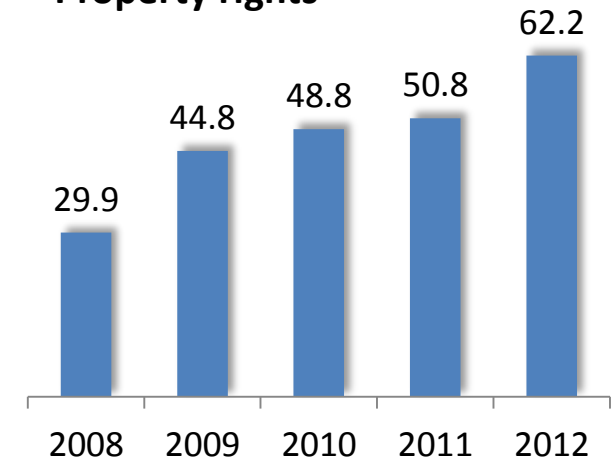
Forward trade in electricity¹



Spot trade in electricity¹



Property rights²



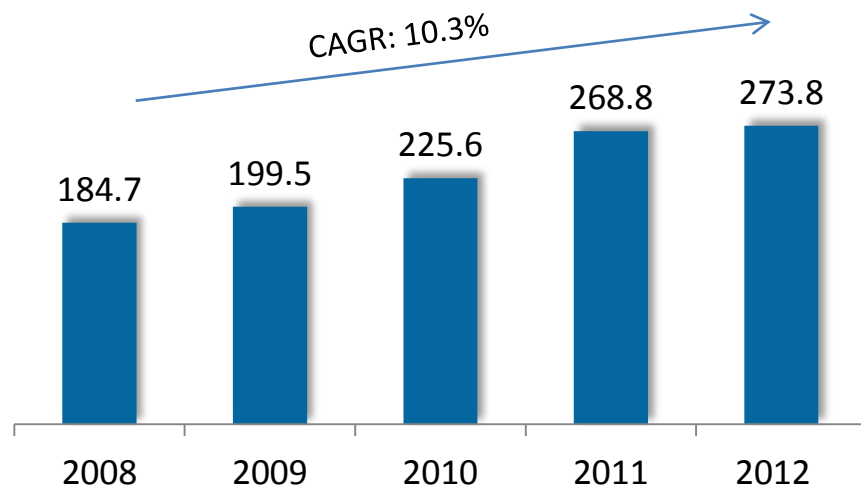
- ✓ Gas Exchange opened on PoIPX in December 2012;
- ✓ Legislation:
 - ✓ proposed obligation to sell a proportion of gas on the exchange;
 - ✓ support for electricity produced from high efficiency cogeneration (yellow and red certificates of origin segment on PoIPX) to expire at the end of March 2013; extension of support currently in the legislative process

¹ PoIPX+ poee WSE EM; ² PoIPX

WSE Group financials

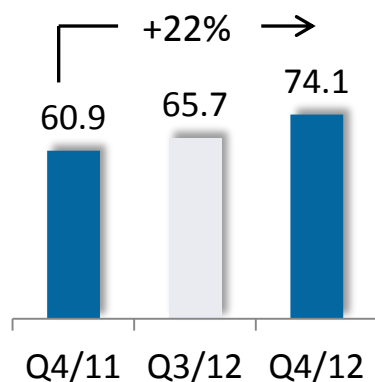
Growing revenues of WSE Group

Sales revenues (PLN mn)



PLN mn	2012	2011	change
Revenues	273.8	268.8	1.9%
Operating expenses	148.5	134.0	10.8%
Other income	10.5	0.4	2298%
Other expenses	10.6	1.6	556%
Operating profit	125.3	133.7	-6.3%
Financial income	14.1	14.4	-2.2%
Financial cost	17.8	0.4	3873%
Share of profit of associates	9.2	15.5	-40.3%
Profit before tax	130.8	163.1	-19.8%
Income tax	24.5	28.9	-15.1%
Net profit of the year	106.2	134.1	-20.8%

Sales revenues (PLN mn)



- ⚙ Increase of revenues by 1.9% (YoY) in 2012 driven by PolPX consolidation as of March 2012
- ⚙ Decrease of profit of associates driven by decrease of profit of KDPW (WSE share of profit of KDPW: PLN 8.2 mn, of CG: PLN 1.0 mn)
- ⚙ Increase of financial cost driven by interest cost of bonds issued by WSE at the turn of 2011/2012 (PLN 15.5 mn annually)
- ⚙ Increase of other expenses driven among others by fair value restatement of a minority stake in PolPX and change of accounting policies for receivables (both events in Q1 2012)
- ⚙ Increase in other expenses driven by goodwill impairment write-downs (poe: PLN 7.9 mn, SIBEX: PLN 1 mn)

Hard year on financial market



Consolidated sales revenues, 2012 and 2011

PLN'000	2012	2011	Change	Q4/12	Q3/12	Q4/11	Change (Q4'12/Q4'11)
Sales revenues	273 825	268 797	1.9%	74 114	65 663	60 907	21.7%
Financial market	208 144	262 154	-20.6%	49 983	49 862	58 762	-14.9%
Trading, including:	150 112	202 199	-25.8%	35 534	35 837	43 739	-18.8%
<i>Equities</i>	101 166	143 092	-29.3%	24 590	23 738	29 037	-15.3%
<i>Derivatives</i>	26 944	40 223	-33.0%	5 708	6 278	9 669	-41.0%
<i>Other¹</i>	7 042	5 434	29.6%	1 751	1 689	1 584	10.5%
<i>Bonds</i>	14 960	13 451	11.2%	3 485	4 132	3 449	1.0%
Listing	21 539	23 386	-7.9%	5 516	5 193	5 561	-0.8%
Information services	36 493	36 569	-0.2%	8 933	8 832	9 462	-5.6%
Commodity market	62 646	2 011	3015%	23 910	14 789	758	3054%
Trade in electricity	30 164	2 011	1400%	5 303	2 274	255	1980%
Trade in property rights	11 821	-	-	4 759	2 720	-	-
Other trade	7 214	1 391	419%	3 103	1 701	503	517%
Register of Certificates of Origin	16 549	-	-	4 038	4 428	-	-
Clearing	15 933	-	-	6 707	3 124	-	-
Other income	3 035	4 633	-34.5%	221	1 012	1389	-84.1%

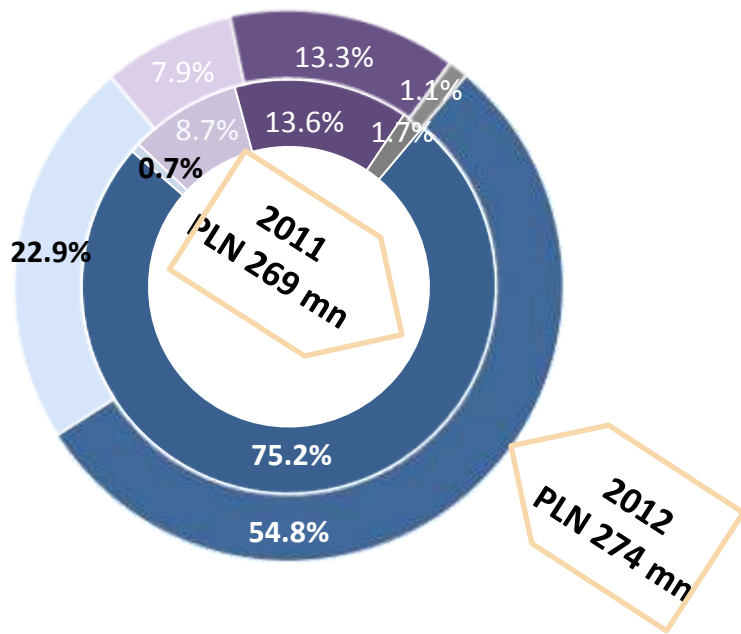
- ⚙ Increase of revenues from the commodity market driven by acquisition of PolPX; revenue of the segment offsets the decrease of revenues from the financial market
- ⚙ Decrease of revenues from the financial market driven by decrease of trading in equities and derivatives.

¹ Fees paid by exchange members and other cash market instruments

Change of Group's revenue structure

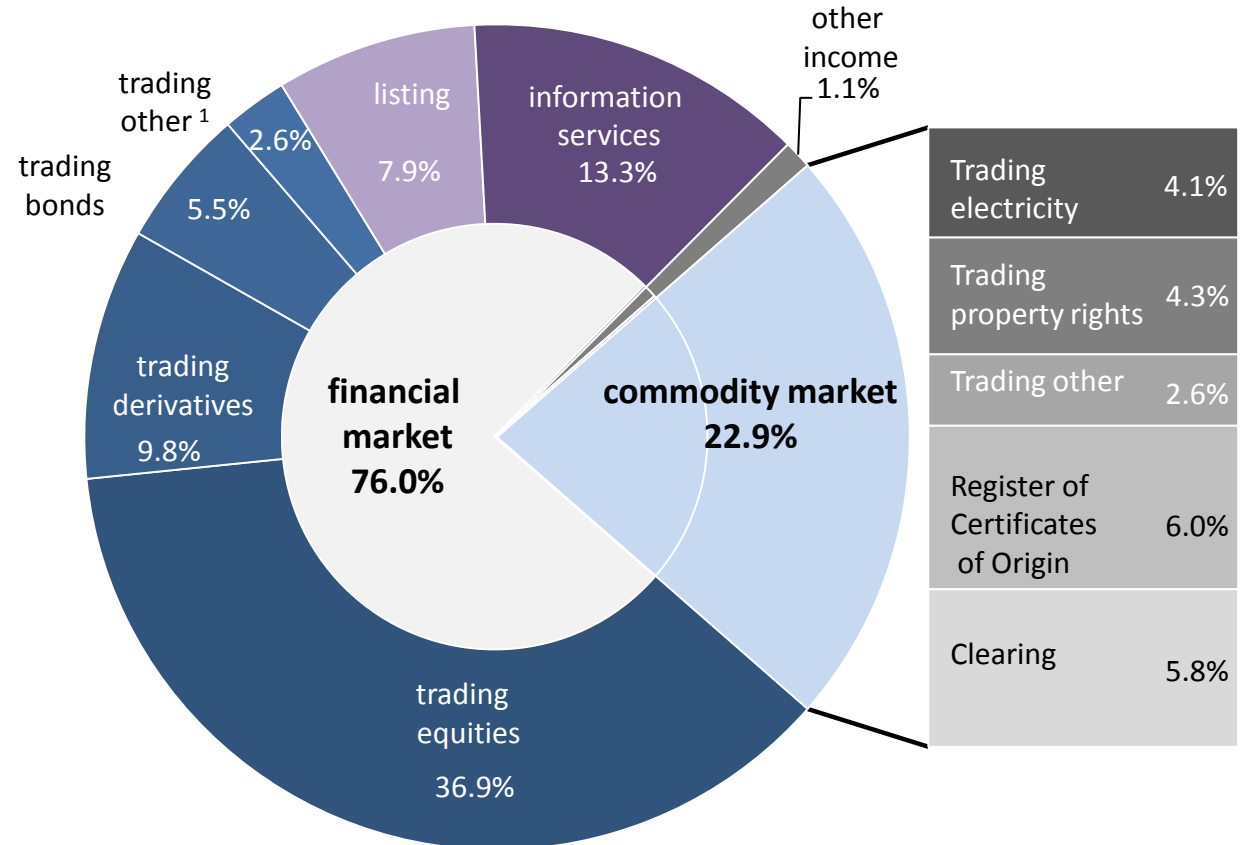
- More diversification owing to PolPX consolidation
- Share of fees for equities trading down from 53.2% in 2011 to 36.9% in 2012

Revenue structure, 2011 v. 2012



- financial market: trading
- financial market: listing
- other income
- commodity market
- financial market: info services

Detailed WSE Group revenue structure, 2012



¹ Fees paid by exchange members and other cash market instruments

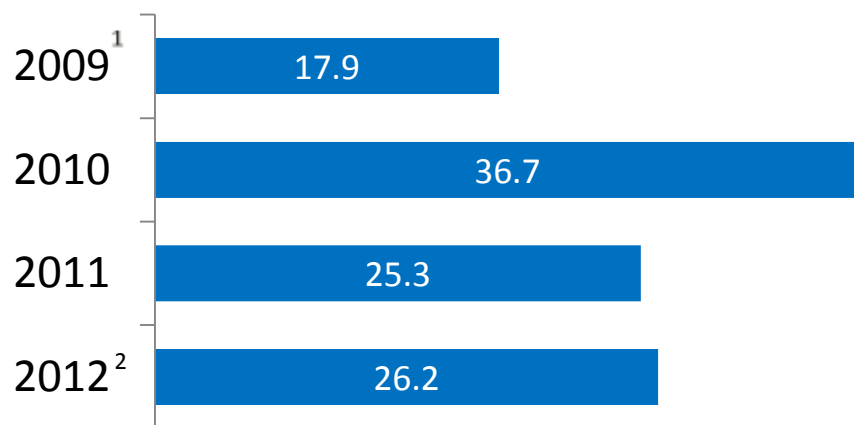
WSE Group operating expenses

PLN'000	2012	2011	change (YoY)	Q4/12	Q3/12	Q4/11	change(Q4'12 /Q4'11)
Operating expenses	148 490	133 966	10.8%	39 717	34 438	35 198	12.8%
Depreciation/Amortisation	16 564	15 620	6.0%	4 203	4 096	3 889	8.1%
Salaries	59 902	51 841	15.5%	16 332	14 903	15 220	7.3%
Rent and other maintenance fees	9 905	6 877	44.0%	3 022	2 129	1 767	71.0%
Fees and charges	19 452	15 675	24.1%	3 963	4 816	1 791	121.3%
<i>incl: KNF</i>	16 823	14 361	17.1%	2 585	4 469	1 331	94.2%
External service charges	33 718	36 235	-6.9%	9 327	6 664	10 466	-10.9%
Other operating expenses	8 950	7 718	16.0%	2 881	1 830	2 066	39.4%

- ⚙ Increase of operating expenses driven by PolPX consolidation
- ⚙ WSE expenses in 2012 at PLN 114.9 mn, down by 7.0% YoY
- ⚙ Depreciation of WARSET system was ended in 2012, depreciation of the new system UTP to start in 2013 (after launch)
- ⚙ One-off increase of costs in Q4 2012 driven by settlement of the cost of medical services for the period 2006 – January 2012 at PLN 2.8 mn (offset by payments from WSE employees at PLN 1.7 mn)
- ⚙ Advance fee to KNF in Q1 and Q2 2013 at PLN 4.4 mn per quarter

CapEx and debt

Capital expenditure, PLN mn



- Capital expenditure in 2012 at PLN 26.2 mn v. target PLN 98 mn
- Expenditure postponed from 2012 to 2013 due to roll-out of UTP trading system postponed to 15 April 2013
- Capital expenditure target 2013 at ca. PLN 125 mn for WSE Group and ca. PLN 110 mn for WSE

Debt ratio

	31.12.2012	31.12.2011
Debt to equity ³	43.9%	32.5%

- Long-term debt: bonds at PLN 245 mn maturing on 2.01.2017
- Debt service cost 2012 at PLN 15.5 mn

¹ CapEx 2009 net of the acquisition of BondSpot

² CapEx 2012 net of the acquisition of PoIPX

³ Interest-bearing debt (principal and interest) / consolidated equity of WSE Group

WSE Group balance sheet

- ❏ Balance sheet at 2012 YE includes the entire bond issue, i.e., series A (PLN 170 mn) issued in 2011 and series B (PLN 75 mn) issued in Q1 2012.
- ❏ Increase of intangible assets driven by goodwill on PolPX acquisition.
- ❏ Cash and cash equivalents include PLN 121.5 mn of assets of WCCH clearing guarantee system ('cash subject to restrictions' also shown under other liabilities)

Selected balance-sheet items (PLN '000)	2012	2011
Non-current assets , including:	512 004	355 291
Property and equipment	133 115	128 672
Intangible assets	209 545	60 621
Investment in associates	151 213	147 894
Current assets , including:	447 020	377 616
Trade and other receivables	62 929	29 620
Available-for-sale financial assets	118	56 651
Cash and cash equivalents	378 883	291 085
Total assets	959 024	732 907
Equity	555 890	524 492
Non-current liabilities	247 842	175 517
Liabilities under bond issue	243 157	170 226
Current liabilities	155 292	32 898
Trade payables	4 284	10 516
Corporate income tax liabilities	2 549	5 011
Other liabilities and provisions	135 824	4 520
Employee benefits payable	12 574	12 851
Total equity and liabilities	959 024	732 907

WSE IR Events

21 February 2013, Thursday

Annual report 2012

5-6 March 2013, Tuesday-Wednesday

Open door day for domestic institutional investors, WSE

26 March 2013, Tuesday

Non-deal roadshow in Vienna

9-10 April 2013, Tuesday-Wednesday

IR Conferene: 'Polish Capital Market – London 2013', London, organised by: PKO BP

30 April 2013, Tuesday

Q1 2013 results

1 July 2013, Monday

Interest payment on WSE bonds for 3rd interest period

31 July 2013, Wednesday

H1 2013 results

30 October 2013, Wednesday

Q3 2013 results

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