Giełda Papierów Wartościowych w Warszawie S.A. Group

Quarterly Report for Q1 2014

Warsaw, 25 April 2014

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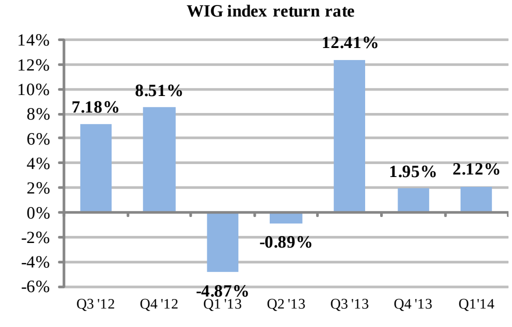
1.1. Main parameters of the markets operated by the Group



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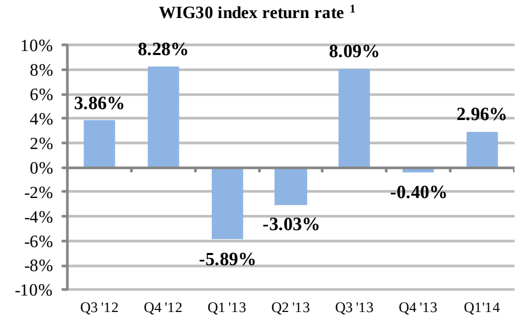

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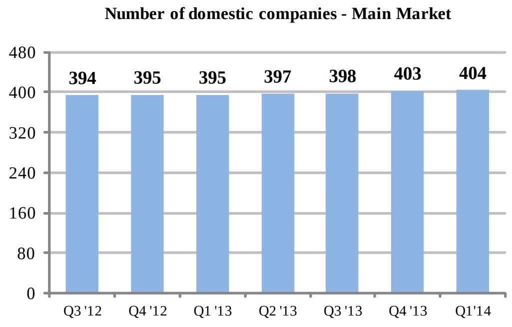

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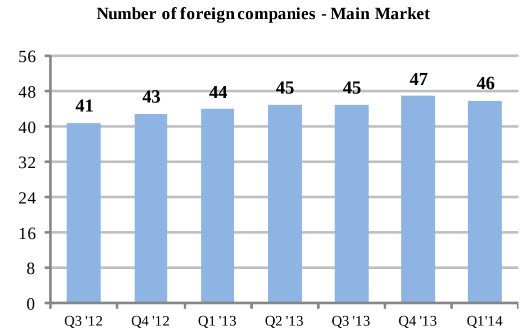

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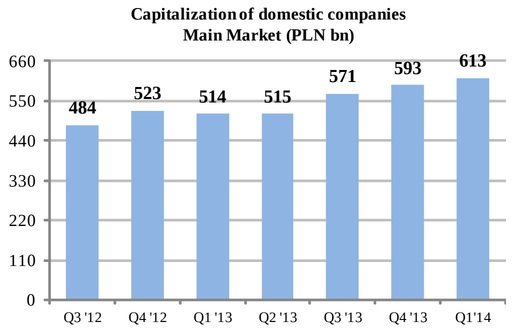

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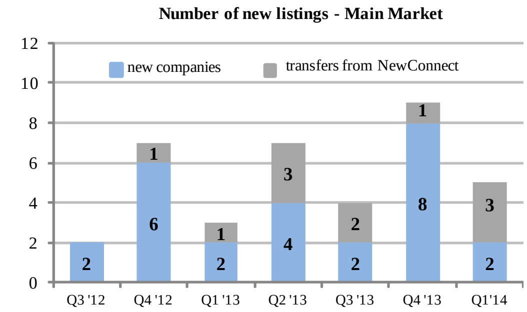

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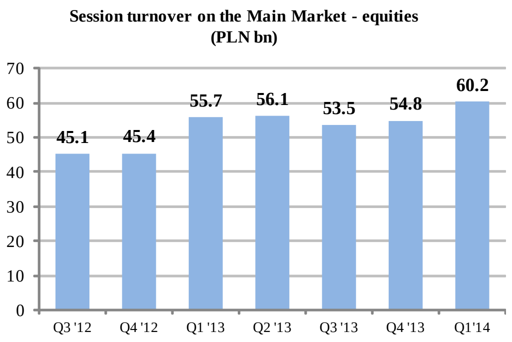

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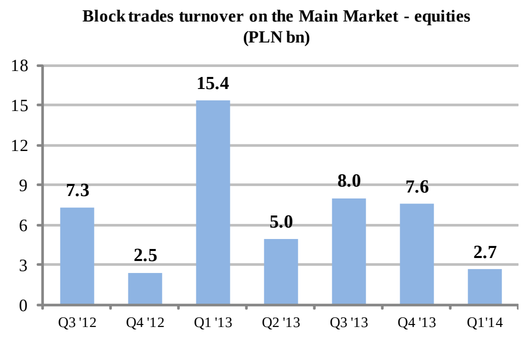
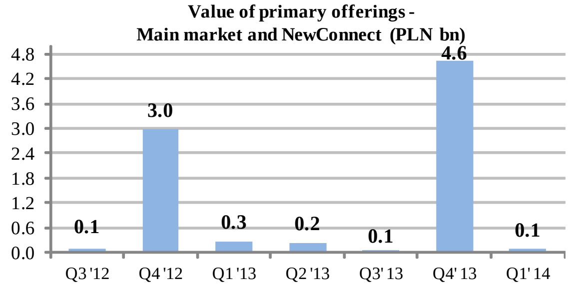


Source:Company

[1] *The new index WIG30 is published since 23 September 2013 and has been recalculated back to 31 December 2007.*



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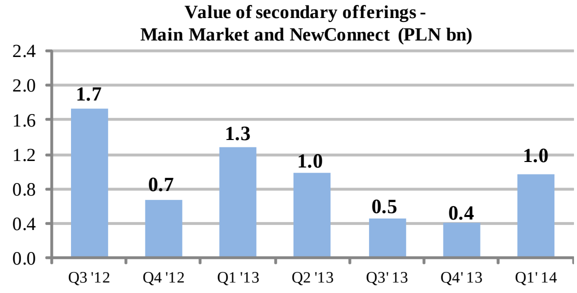

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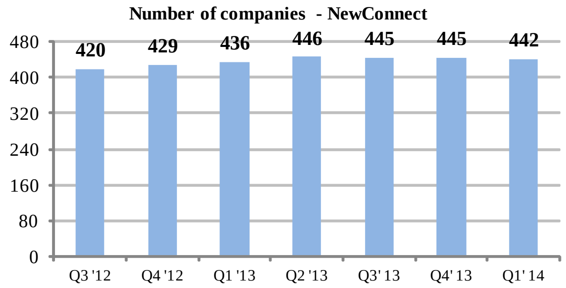

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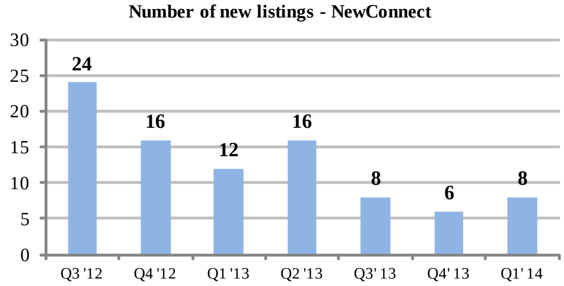

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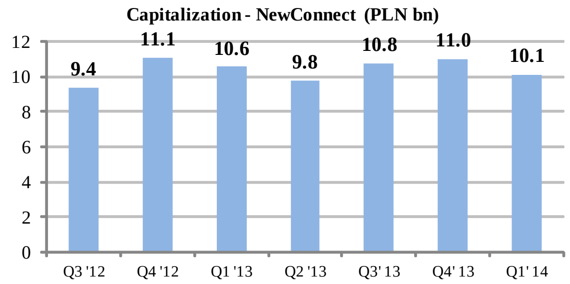

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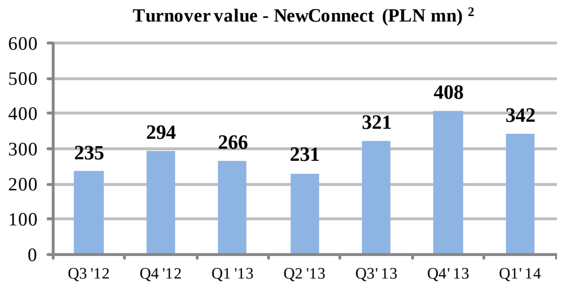

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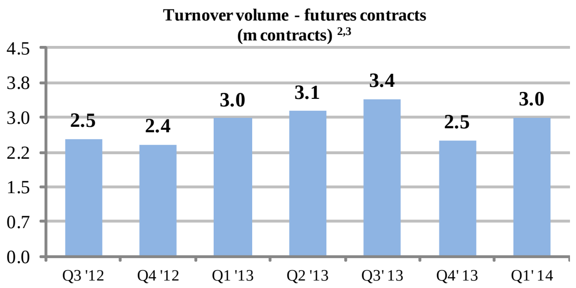

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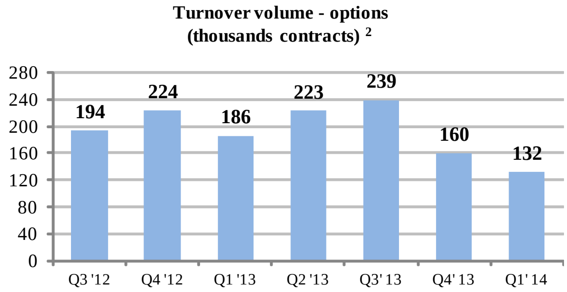
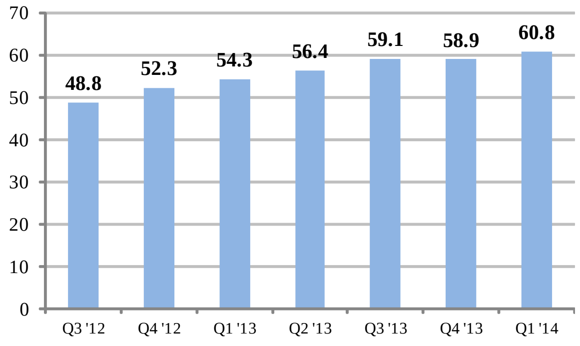


Source:Company

[2] *Including session and block trades*

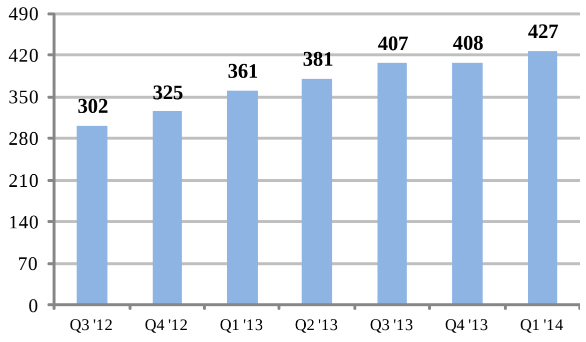
[3] *Contracts on WIBOR reference rates and Treasury bonds were introduced to trading on WSE on 18 October 2013*

Value of listed non-treasury bond issues - Catalyst (PLN bn)



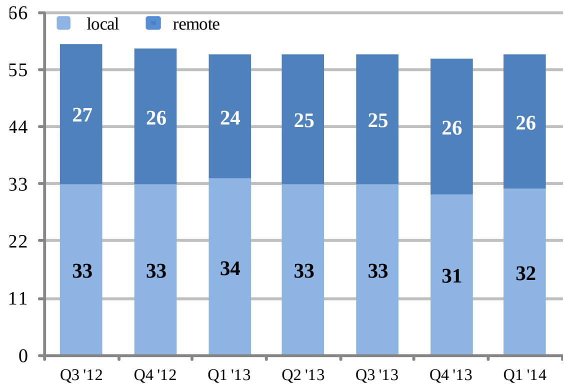
Source:Company

Number of of listed non-treasury bond issues - Catalyst



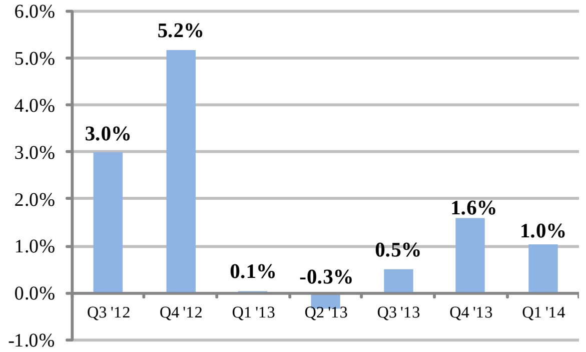
Source:Company

Number of WSE exchange members



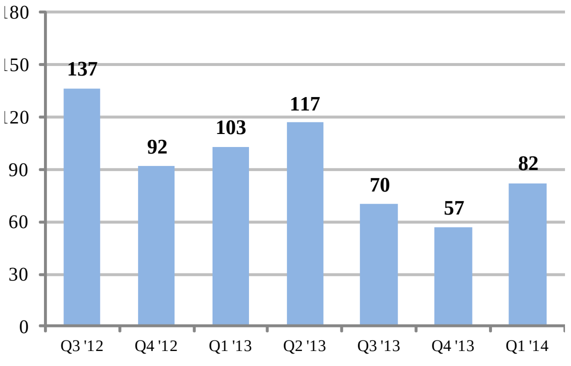
Source:Company

TBSP.Index return rate[4]



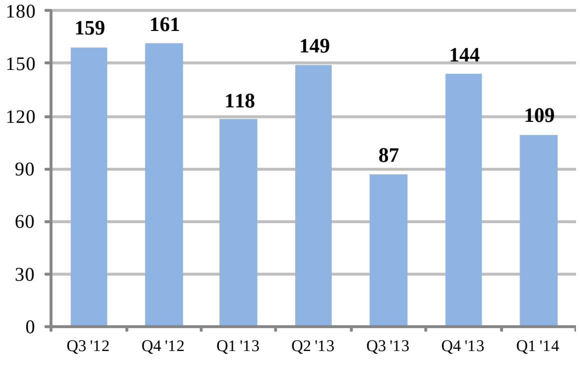
Source: BondSpot

Treasury debt securities turnover value (cash transactions) - TBSP (PLN bn)



Source: BondSpot

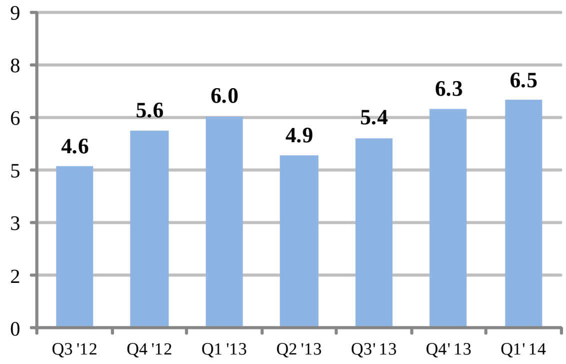
Treasury debt securities turnover value (repo transactions) - TBSP (PLN bn)[5]



Source: BondSpot

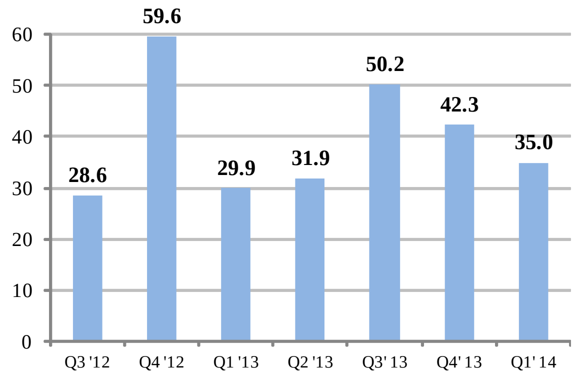
[4] *Total return index of Treasury bonds*
[5] *Sum of opening transaction and closing transaction*

Turnover volume - electricity spot market - PolPX and poee WSE Energy Market (TWh) [6,7]



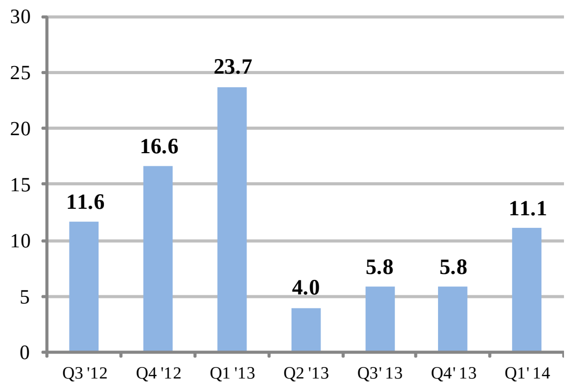
Source: WSE, PolPX

Turnover volume - electricity forward market - PolPX and poee WSE Energy Market (TWh) [6,7]



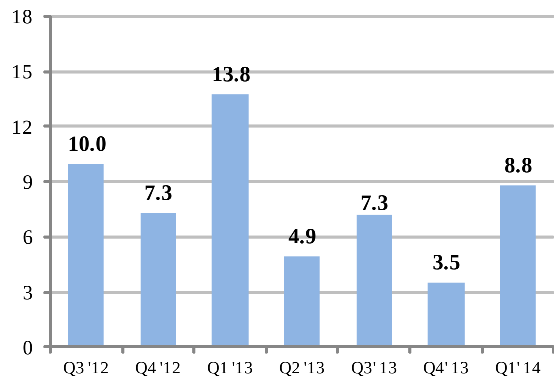
Source: WSE, PolPX

Turnover volume - property rights in certificates of origin of electricity (TWh) [7]



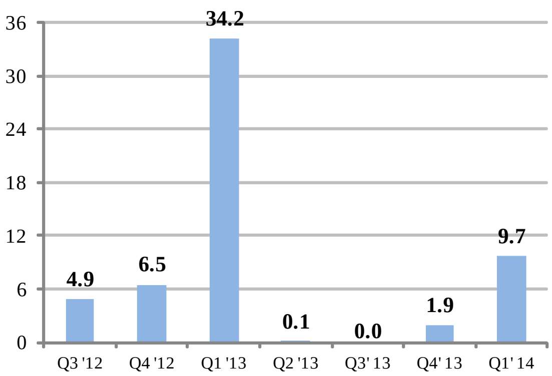
Source: PolPX

Volume of issued property rights in certificates of origin of electricity - PolPX (TWh) [7]



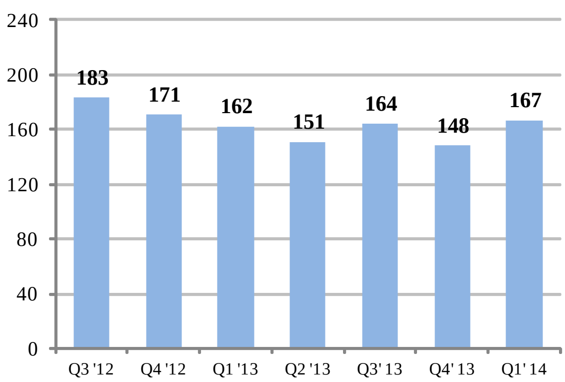
Source: PolPX

Volume of redeemed certificates of origin of electricity - PolPX (TWh) [7]



Source: PolPX

Volume-weighted average value of IRDN Index (PLN/MWh) [8]



Source: PolPX

[6] poee WSE Energy Market operated within WSE structure from December 2010 to the end of Q1 2013. There is a concentration of trade in commodities within the PolPX Group from Q2 2013
[7] PolPX was taken over by WSE in February 2012
[8] IRDN - Electricity Market Index quoted by PolPX (volume-weighted average price of all transactions during a trading session, calculated by delivery date for all day)

1.2. Selected financial data of the Group

SELECTED CONSOLIDATED FINANCIAL DATA
OF THE GIEŁDA PAPIERÓW WARTOŚCIOWYCH W WARSZAWIE S.A. GROUP

Selected data in the consolidated statement of comprehensive income under IFRS, reviewed

	Three-month period ended 31 March			
	2014	2013	2014	2013
	PLN'000		*EUR'000* [1]	
Revenue	**86,507**	**79,358**	**20,673**	**19,097**
Financial market	55,952	52,519	13,371	12,638
Commodity market	30,066	26,130	7,185	6,288
Other revenue	489	709	117	171
Operating expenses	**43,937**	**36,845**	**10,500**	**8,866**
Other income	221	1,266	53	305
Other expenses	905	729	216	175
Operating profit	**41,886**	**43,051**	**10,010**	**10,360**
Financial income	2,558	4,225	611	1,017
Financial expenses	2,522	3,344	603	805
Share of profit of associates	3,966	4,649	948	1,119
Profit before income tax	**45,888**	**48,581**	**10,966**	**11,690**
Income tax expense	8,272	6,520	1,977	1,569
Profit for the period	**37,616**	**42,061**	**8,989**	**10,122**
Basic / diluted earnings per share[2] (PLN, EUR)	0.90	1.00	0.22	0.24
EBITDA[3]	**53,035**	**51,376**	**12,674**	**12,363**

[1] Based on the quarterly average of EUR/PLN exchange rates quoted by the National Bank of Poland (respectively: 1 EUR = 4.1846 PLN in Q1 2014 and 1 EUR = 4.1556 PLN in Q1 2013).
[2] Calculated based on the net profit attributable to shareholders of the parent entity.
[3] EBITDA = operating profit + share of profit of associates + depreciation and amortisation.

Selected data in the consolidated statement of financial position under IFRS, reviewed

	As at			
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	PLN'000		*EUR'000* [1]	
Non-current assets	**590,634**	**576,421**	**141,595**	**138,990**
Property, plant and equipment	121,045	124,042	29,019	29,910
Intangible assets	265,932	269,155	63,753	64,900
Investment in associates	187,811	158,540	45,025	38,228
Available-for-sale financial assets	10,775	20,955	2,583	5,053
Other non-current assets	5,071	3,729	1,216	899
Current assets	**525,507**	**482,707**	**125,982**	**116,393**
Trade and other receivables	52,345	34,792	12,549	8,389
Available-for-sale financial assets	272	118	65	28
Cash and cash equivalents	466,610	436,831	111,862	105,332
Other current assets	6,280	10,966	1,506	2,644
TOTAL ASSETS	**1,116,141**	**1,059,128**	**267,576**	**255,384**
Equity of the shareholders of the parent entity	674,550	636,985	161,712	153,594
Non-controlling interests	1,142	1,120	274	270
Non-current liabilities	249,563	249,578	59,829	60,180
Current liabilities	190,886	171,445	45,762	41,340
TOTAL EQUITY AND LIABILITIES	**1,116,141**	**1,059,128**	**267,576**	**255,384**

[1] Based on the average EUR/PLN exchange rates quoted by the National Bank of Poland as at 31 March 2014 (1 EUR = 4.1713) and 31 December 2013 (1 EUR = 4.1472 PLN).

Selected financial ratios of the Group

	Year ended / As at	
	31 March 2014	31 March 2013
EBITDA margin *(EBITDA/Revenues)*	61.3%	64.7%
Operating profit margin *(Operating profit/Revenues)*	48.4%	54.2%
Return on equity (ROE) *(Profit for the last 12 months/Average equity at the beginning and end of the last 12 months)*	17.1%	19.8%
Debt to equity ratio *(Interest-bearing liabilities [1] /Equity)*	36.5%	41.1%

[1] total liabilities under debt, e.g., principal and interest

Source: Condensed Consolidated Interim Financial Statements, Company

2. Quarterly report of the Exchange Management Board on the activity of the Group

2.1. Information about the Group

2.1.1. Background information about the Group

The parent entity of the Giełda Papierów Wartościowych w Warszawie S.A. Group ("the Group") is Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna ("Warsaw Stock Exchange", "the Exchange", "WSE", "the Company" or "the parent entity") with its registered office in Warsaw, ul. Książęca 4.

Warsaw Stock Exchange is the largest national financial instruments exchange in CEE, one of the European exchanges with the most marked contribution to the growth of commodity markets, and one of the fastest-growing exchanges in Europe. The Group offers a broad range of products and services on its markets of equities, derivatives, debt instruments and structured products, power, gas and property rights; it also clears trade, operates a Register of Certificates of Origin, and provides information services. WSE is one of Poland's most recognisable financial institutions globally.

The parent entity and the subsidiaries of the Group have two main business lines:

- **financial market**, which includes trading in equities, derivatives, debt instruments and other financial instruments, listing, and information services;
- **commodity market**, which includes trading in electricity, natural gas and property rights in certificates of origin of energy and energy efficiency certificates, operation of a Register of Certificates of Origin, clearing of trade, settlement of exchange commodities, management of the resources of the clearing guarantee system and determining the amount of credits and debits of Warsaw Commodity Clearing House members, as well as trade operator services on the electricity market and services offered as the operator of the OTC commodity trade platform InfoEngine OTC.

In its business in all these segments, the Group organises and operates trading on the following markets:

- ***WSE Main Market*** (trade in equities, equity-related and other cash instruments, derivatives),
- ***NewConnect*** (trade in equities and equity-related instruments of small and medium-sized enterprises),
- ***Catalyst*** (trade in corporate, municipal, co-operative, Treasury and mortgage bonds operated by WSE and BondSpot),
- ***Treasury BondSpot Poland*** (wholesale trade in Treasury bonds operated by BondSpot).

As of Q1 2012, the Group additionally organises and operates trade on the markets operated by the company Polish Power Exchange ("PolPX"):

- ***Energy Markets*** (Intra-Day Market, Day-Ahead Market, Commodity Derivatives Market, Electricity Auctions),
- ***Property Rights Market*** (trade in property rights in certificates of origin of electricity and energy efficiency certificates),
- ***CO_2 Emission Allowances Market*** (trade in CO_2 emission allowances),
- ***Gas Exchange*** (trade in natural gas with physical delivery on the Intra-Day Market, Day-Ahead Market and the Commodity Derivatives Market, Gas Auctions).

The Group operates a clearing house and settlement system for transactions in exchange-traded commodities within the meaning of the Commodity Exchange Act and in financial instruments other than securities within the meaning of the Act on Trading in Financial Instruments via the company Warsaw Commodity Clearing House ("WCCH") and a Register of Certificates of Origin of electricity via the company PolPX.

In Q4 2013, WSEInfoEngine S.A., a subsidiary of WSE, opened InfoEngineOTC, an OTC commodity trade platform. Commodity trading (in the first phase, trading in electricity and certificates of origin) is supported by the electronic ask and bid matching system GlobalVision developed by Trayport, a special electronic platform which supports OTC commodity trade among others. Trade is executed as bilateral contracts between trade partners whose asks and bids have been matched in the electronic system.

The Group also earns other revenues from the business of a trade operator on the electricity market and from educational services, office space lease, and promotion services.

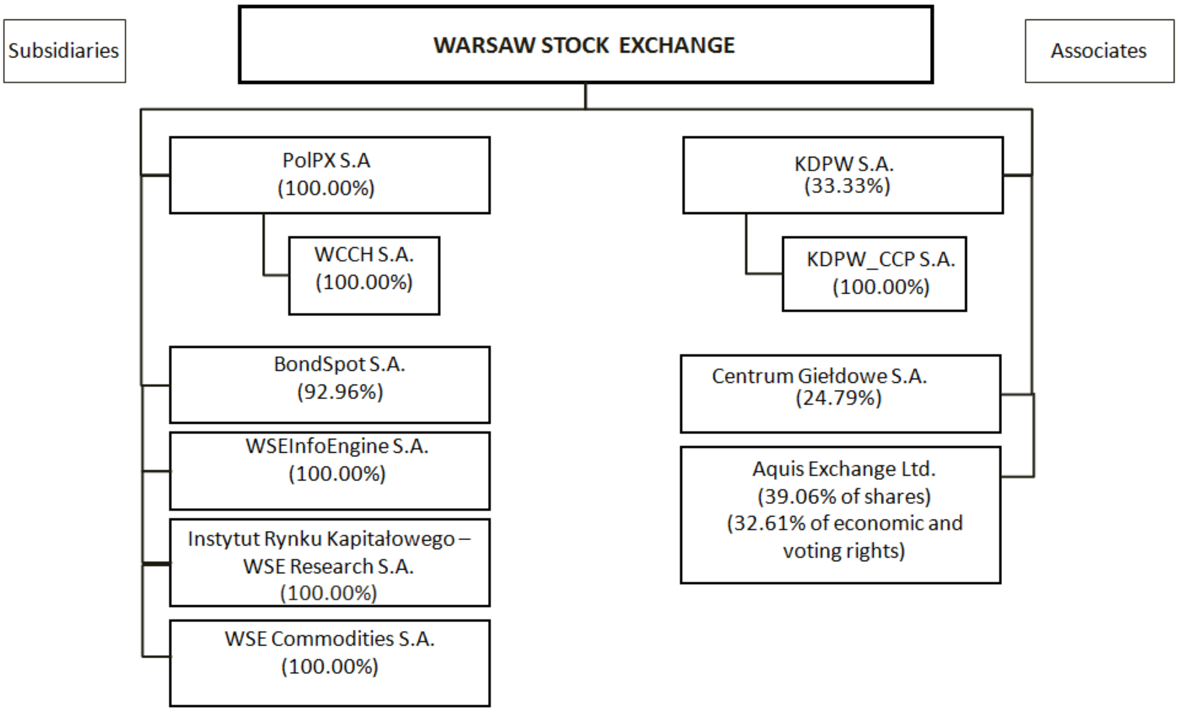
Basic information about the parent entity:

Name and legal status:	Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna
Abbreviated name:	Giełda Papierów Wartościowych w Warszawie S.A.
Registered office and address:	ul. Książęca 4, 00-498 Warsaw, Poland
Telephone number:	+48 (22) 628 32 32
Telefax number:	+48 (22) 628 17 54, +48 (22) 537 77 90
Website:	www.gpw.pl
E-mail:	gpw@gpw.pl
KRS (registry number):...............................	0000082312
REGON (statistical number):......................	012021984
NIP (tax identification number):	526-02-50-972

2.1.2. Organisation of the Group and the effect of changes in its structure

As at 31 March 2014, Warsaw Stock Exchange (the parent entity) and its subsidiaries comprised the Giełda Papierów Wartościowych w Warszawie S.A. Group. In addition, WSE held shares in three associates.

Warsaw Stock Exchange subsidiaries and associates as at 31 March 2014 and WSE's stake in their share capital and rights attached to shares



Source: Company

The subsidiaries are consolidated using full consolidation as of the date of taking control while the investment in associates is recognised using equity accounting.

Apart from the above mentioned subsidiaries and associates, as at the date of preparation of this Report, WSE also held 9.99% of shares of INNEX PJSC and 1.3% of shares of S.C. Sibex – Sibiu Stock Exchange S.A.

WSE and Aquis Exchange Limited with its registered office in the UK signed an agreement concerning acquisition of new issue shares in Q3 2013. WSE acquired 153,609 Aquis Exchange Ltd shares for GBP 2 million in August 2013. The consecutive 230,416 shares were acquired for GBP 3.0 million in February 2014 following approval of UK's Financial Conduct Authority (FCA) for Aquis Exchange to operate as a multilateral trading facility (MTF) and following FCA's approval for WSE to increase its stake in Aquis Exchange capital. The total price of 384,025 shares of Aquis Exchange to WSE was GBP 5.0 million.

As at the date of preparation of this Report, WSE holds 384,025 shares of Aquis Exchange representing 39.06% of the total number of shares and giving 32.61% of economic and voting rights in Aquis. The acquired stake authorises WSE to appoint two directors to the Aquis Exchange Board of Directors. As a result of WSE taking up the second tranche of shares of Aquis Exchange Limited, the company became WSE's associate. The shares of Aquis Exchange Limited as an associate of the WSE Group are recognised using equity accounting as at 31 March 2014.

In consequence, after the completion of the process of raising capital by Aquis Exchange, the 384,025 shares held by WSE should represent 36.23% of the total number of shares and give the Company 30.00% of economic and voting rights in Aquis Exchange.

The company WSE Commodities was transformed from a limited liability company into a joint stock company in January 2014.

Since 2008, the Group has operated a representative office in Kiev (Ukraine), whose operations focus on promoting WSE among Ukrainian investors, issuers and financial intermediaries. The Representative Office has no separate legal personality and does not carry on any profit-earning independent business operations. In all its activities, the Representative Office acts on behalf and for WSE to the extent stipulated in the Representative Office's Statutes and powers of attorney granted by the Management Board of WSE, always in compliance with the laws of Ukraine.

WSE reinforced its presence in London in June 2013 by appointing a permanent representative of the Exchange whose mission is to support acquisition on the London market, in particular the acquisition of new investors and Exchange Members.

The Group does not hold any branches or establishments.

2.1.3. Ownership

As at the date of publication of this Report, the share capital of Warsaw Stock Exchange was divided into 41,972,000 shares including 14,807,470 Series A preferred registered shares (one share gives two votes) and 27,164,530 Series B ordinary bearer shares.

As at the date of publication of this Report, according to the Company's best knowledge, the State Treasury holds 14,688,470 Series A preferred registered shares, which represent 35.00% of total shares and give 29,376,940 votes, which represents 51.74% of the total vote. The total number of votes from Series A and B shares is 56,779,470.

According to the Company's best knowledge, as at the date of publication of this Report, no shareholders other than the State Treasury held directly or indirectly at least 5% of the total vote in the parent entity. The ownership structure of material blocks of shares did not change since the publication of the previous periodic report.

The tables below present WSE shares and allotment certificates held by the Company's and the Group's supervising and managing persons.

WSE shares and allotment certificates held by the Company's and the Group's managing persons as at the date of publication of this Report

	Number of shares held	Number of allotment certificates held
Adam Maciejewski	-	-
Beata Jarosz	-	-
Paweł Graniewski	-	-
Dariusz Kułakowski	25	-
Mirosław Szczepański	-	-

WSE shares and allotment certificates held by the Company's and the Group's supervising persons as at the date of publication of this Report

	Number of shares held	Number of allotment certificates held
Wiesław Rozłucki	25	-
Leszek Pawłowicz	-	-
Dariusz Kacprzyk	-	-
Marek Wierzbowski	-	-
Marek Słomski	-	-
Sławomir Krupa	-	-
Jacek Lewandowski	-	-

Source: Company

The number of these financial instruments held by the Company's and the Group's supervising and currently managing persons did not change since the publication of the previous periodic report.

2.2. Generated financial results and their key drivers in Q1 2014

2.2.1. Summary of results

The **WSE Group** generated an operating profit of PLN 41.9 million in Q1 2014 compared to PLN 26.4 million in Q4 2013 and PLN 43.1 million in Q1 2013. The increase of the operating profit compared to Q4 2013 was driven by higher revenue from the commodity market segment (increase of PLN 11.2 million), higher revenue from the financial market segment (increase of PLN 4.4 million) and lower operating expenses (decrease of PLN 1.2 million). Other operating revenues decreased by PLN 1.3 million in the period under review.

The decrease of the **Group's** operating profit year on year was mainly driven by higher operating expenses (increase of PLN 7.1 million) and lower other operating income (decrease of PLN 1.0 million) offset by higher revenue from the commodity market segment (increase of PLN 3.9 million) and higher revenue from the financial market (increase of PLN 3.4 million).

The net profit of the **Group** in the quarters under review was PLN 37.6 million, PLN 28.5 million and PLN 42.1 million, respectively.

Detailed information on changes in revenue and expenses is presented below.

WSE generated an operating profit of PLN 20.8 million in Q1 2014 compared to PLN 16.7 million in Q4 2013 and PLN 21.0 million in Q1 2013.

The increase in the operating profit of WSE compared to Q4 2013 was mainly driven by higher sales revenues (increase of PLN 4.0 million), in particular revenue from trading in equities, trading in derivatives and listing revenue, and lower operating expenses (decrease of PLN 1.0 million). The decrease in operating expenses was driven by lower external service charges offset partly by higher salaries. The operating profit of Q1 2014 was also impacted by other operating revenues which decreased by PLN 1.1 million.

The modest decrease of operating profit in Q1 2014 compared to Q1 2013 was mainly driven by a PLN 3.9 million increase in operating expenses, including mainly depreciation and amortisation, external service charges, fees and charges, and an decrease in salaries offset by an increase of sales revenues (by PLN 3.6 million) mainly from trading in equities, information services and listing.

WSE generated a net profit of PLN 16.2 million in Q1 2014 compared to PLN 18.9 million in Q4 2013 and PLN 18.3 million in Q1 2013. The decrease of the net profit in Q1 2014 quarter on quarter was driven by the settlement of a tax relief in Q4 2013 following the expenses for the implementation of the trading system UTP in 2013. As a result of the tax relief for new technologies, income tax was reduced by PLN 5.9 million.

The **PolPX Group** generated an operating profit of PLN 21.3 million in Q1 2014 compared to PLN 10.6 million in Q4 2013 and PLN 20.7 million in Q1 2013. The net profit of the PolPX Group in the quarters under review was PLN 17.8 million, PLN 9.1 million, and PLN 18.4 million, respectively.

BondSpot S.A. generated an operating profit of PLN 0.8 million in Q1 2014 compared to PLN 0.3 million in Q4 2013 and PLN 1.3 million in Q1 2013. Its net profit in the quarters under review stood at PLN 0.7 million, PLN 0.1 million, and PLN 1.2 million, respectively.

Consolidated profit and loss account of WSE Group in 2013 and 2014 by quarter

PLN'000	2014	2013			
	Q1	Q4	Q3	Q2	Q1
Revenue	**86,507**	**70,847**	**69,000**	**64,557**	**79,358**
Financial market	**55,952**	**51,527**	**49,507**	**51,701**	**52,519**
Trading	39,775	36,441	35,732	37,543	38,182
Listing	6,336	5,716	5,248	5,588	5,737
Information services	9,841	9,370	8,527	8,570	8,599
Commodity market	**30,066**	**18,848**	**18,710**	**12,307**	**26,130**
Trading	16,140	10,774	10,743	6,501	11,888
Register of certificates of origin	7,094	2,996	2,735	1,977	7,897
Clearing	6,832	5,078	5,232	3,829	6,345
Other revenue	**489**	**472**	**783**	**549**	**709**
Operating expenses	**43,937**	**45,108**	**40,241**	**44,030**	**36,845**
Depreciation and amortisation	7,183	7,203	6,921	7,922	3,676
Salaries	13,754	11,701	11,596	14,450	14,168
Other employee costs	3,549	3,003	2,631	3,469	3,019
Rent and maintenance fees	2,542	2,677	2,661	2,690	2,544
Fees and charges	5,743	5,612	5,441	4,879	4,838
incl.: PFSA fees (WSE)	*5,210*	*4,956*	*4,578*	*4,358*	*4,356*
External service charges	9,708	12,721	9,191	7,786	6,544
Other operating expenses	1,458	2,191	1,800	2,834	2,056
Other income	221	1,499	227	232	1,266
Other expenses	905	824	491	82	729
Operating profit	**41,886**	**26,414**	**28,495**	**20,677**	**43,051**
Financial income	2,558	1,702	2,200	2,790	4,225
Financial expenses	2,522	2,790	2,561	3,520	3,344
Share of profit of associates	3,966	1,614	3,385	2,846	4,649
Profit before income tax	**45,888**	**26,940**	**31,519**	**22,792**	**48,581**
Income tax expense	8,272	(1,605)	5,566	5,808	6,520
Profit for the period	**37,616**	**28,545**	**25,953**	**16,984**	**42,061**

Source: Condensed Consolidated Interim Financial Statements, Company.

Consolidated statement of financial position of WSE Group at quarter-end, 2013-2014

PLN'000	2014	2013			
	Q1	Q4	Q3	Q2	Q1
Non-current assets	**590,634**	**576,421**	**574,749**	**568,880**	**579,151**
Property, plant and equipment	121,045	124,042	120,622	128,000	131,182
Intangible assets	265,932	269,155	272,388	268,372	271,026
Investment in associates	187,811	158,540	156,694	154,050	155,071
Deferred tax assets	1,568	-	645	3,897	7,096
Available-for-sale financial assets	10,775	20,955	20,982	11,010	11,141
Prepayments	3,503	3,729	3,418	3,551	3,635
Current assets	**525,507**	**482,707**	**445,915**	**506,026**	**473,336**
Inventories	142	166	180	176	266
Corporate income tax receivable	6,138	10,797	5,166	3,970	2,511
Trade and other receivables	52,345	34,792	44,754	40,555	50,194
Available-for-sale financial assets	272	118	586	428	272
Other current assets	-	3	-	-	-
Cash and cash equivalents	466,610	436,831	395,229	460,897	420,093
incl.: assets of the clearing guarantee system	*107,996*	*125,326*	*124,581*	*153,723*	*144,120*
Total assets	**1,116,141**	**1,059,128**	**1,020,664**	**1,074,906**	**1,052,486**
Equity	**675,692**	**638,105**	**609,024**	**584,102**	**600,756**
Share capital	63,865	63,865	63,865	63,865	63,865
Other reserves	1,249	1,278	1,129	1,920	1,806
Retained earnings	609,436	571,842	542,825	517,159	533,614
Non-controlling interests	1,142	1,120	1,205	1,158	1,471
Non-current liabilities	**249,563**	**249,578**	**248,234**	**247,950**	**247,889**
Employee benefits payable	4,452	4,456	4,283	4,284	4,314
Finance lease liabilities	284	439	449	279	289
Provisions for other liabilities and charges	-	-	-	-	15
Liabilities under bond issue	243,733	243,617	243,502	243,387	243,272
Deferred income tax liability	1,094	1,066	-	-	-
Current liabilities	**190,886**	**171,445**	**163,406**	**242,855**	**203,841**
Trade payables	3,763	12,738	5,402	3,518	8,924
Finance lease liabilities	338	365	460	364	337
Corporate income tax payable	1,990	657	969	298	1,705
Liabilities under bond issue	2,336	-	2,377	6,419	3,214
Dividends and other liabilities	171,327	144,035	140,003	218,905	177,709
incl. liabilities of the clearing guarantee system	*107,996*	*125,326*	*124,581*	*153,723*	*144,120*
Employee benefits payable	9,240	11,511	12,844	11,997	10,601
Provisions for other liabilities and charges	1,892	2,139	1,351	1,354	1,351
Total equity and liabilities	**1,116,141**	**1,059,128**	**1,020,664**	**1,074,906**	**1,052,486**

Source: Condensed Consolidated Interim Financial Statements, Company.

2.2.2. Revenue

The Group has three revenue-generating segments:

- financial market,
- commodity market,
- other revenues.

Revenues from the financial market include revenues from:

- trading;
- listing;
- information services.

Trading revenue includes fees paid by market participants in respect of:

- transactions on markets of equities and equity-related instruments;
- transactions in derivative financial instruments;
- transactions in debt instruments;
- transactions in other cash market instruments;
- other fees paid by market participants.

Revenues from transactions in equities and equity-related securities are the Group's main source of trading revenues and its main source of sales revenues in general.

Revenues from transactions in derivative financial instruments are the second biggest source of trading revenues on the financial market. Transactions in WIG20 index futures account for the majority of revenues from transactions in derivatives.

Revenues from other fees paid by market participants include mainly fees for services providing access to the trading system.

Revenues from transactions in debt instruments are generated by the Catalyst market as well as the Treasury BondSpot Poland market operated by BondSpot S.A., a subsidiary of WSE.

Revenues from transactions in other cash market instruments include fees for trading in structured products, investment certificates, warrants and ETF units.

Listing revenues include two main elements:

- one-off fees paid by issuers for introduction and admission of new shares and other instruments to trading on the exchange;
- periodic listing fees.

Revenues from information services mainly include fees paid by data vendors for real-time market data as well as historical and statistical data. Real-time data fees include fixed annual fees and monthly fees based on the data vendor's number of subscribers and the scope of data feeds used by a subscriber.

Revenues of the Group in the commodity market segment include revenues of PolPX and WCCH as well as revenues of WSEInfoEngine from its activity as a trade operator. The group also earned revenues from the operation of the poee WSE Energy Market until the end of Q1 2013.

The commodity market segment includes the following sub-segments:

- trading,
- operation of the Register of Certificates of Origin,
- clearing.

Trading revenue on the commodity market includes:

- revenue from trading in electricity (spot and forward),
- revenue from trading in natural gas (spot and forward),
- revenue from trading in property rights in certificates of origin of electricity,
- other fees paid by market participants (members).

Revenues from the operation of trade in electricity include revenues from transactions on the poee WSE Energy Market (until the end of Q1 2013) as well as revenues of PolPX on the Intra-Day Market, the Day-Ahead Market, the Commodity Forward Instruments Market, and Electricity Auctions. Revenues from trade in natural gas include revenues of PolPX on the Day-Ahead Market, the Intra-Day Market, the Commodity Forward Instruments Market, and Gas Auctions. Revenues from trade in property rights in certificates of origin of electricity and energy efficiency certificates include revenues of PolPX from such trade. Other fees paid by market participants include flat-rate fees paid by market participants of the poee WSE Energy Market (until the end of Q1 2013) and PolPX, as well as revenues of WSEInfoEngine as a trade operator.

The sub-segment of operation of the Register of Certificates of Origin of electricity includes revenues of PolPX from that activity. Revenues of the sub-segment "clearing" include revenues of the company WCCH, which clears and settles exchange transactions concluded on PolPX, manages the resources of the clearing guarantee system and determines the amount of credits and debits of WCCH members resulting from their transactions.

The Group's other revenues include revenues of the Instytut Rynku Kapitałowego – WSE Research S.A., as well as revenues of WSE and the PolPX Group, among others, from educational services, office space lease, and sponsorship.

The **Group's** sales revenues amounted to PLN 86.5 million in Q1 2014, an increase of 22.1% (PLN 15.7 million) compared to Q4 2013 and an increase of 9.0% (PLN 7.1 million) compared to Q1 2013.

The increase in sales revenues compared to Q4 2013 was mainly driven by a 59.5% (PLN 11.2 million) increase in revenues from the **commodity market** segment, mainly including trading in property rights in certificates of origin of electricity and revenue from operation of the Register of Certificates of Origin. Revenue from the **financial market** increased by 8.6% (PLN 4.4 million), mainly driven by higher revenue from trading in equities, higher revenue from trading in derivatives, higher listing revenue and revenue from information services.

The sales revenues increased compared to Q1 2013 mainly due to a 15.1% (PLN 3.9 million) increase of revenues from the **commodity market** segment, mainly including trading in property rights in certificates of origin of electricity and revenue from other fees paid by market participants. Revenue from the **financial market** increased by 6.5% (PLN 3.4 million), mainly driven by higher revenue from trading in equities, higher revenue from trading in derivatives, higher revenue from information services and listing revenue.

Revenues from the financial market stood at PLN 56.0 million, PLN 51.5 million and PLN 52.5 million, respectively, in the quarters under review.

Revenues from the commodity market stood at PLN 30.1 million representing 34.8% of the Group's total revenue in Q1 2014 compared to PLN 18.8 million or 26.6% in Q4 2013 and PLN 26.1 million or 32.9% in Q1 2013.

The revenue of the **PolPX Group** stood at PLN 28.8 million in Q1 2014, PLN 18.4 million in Q4 2013 and PLN 25.7 million in Q1 2013. The revenue of **BondSpot** in the quarters under review stood at PLN 3.1 million, PLN 2.7 million, and PLN 3.4 million, respectively.

The revenue of the WSE Group by segment is presented below.

Consolidated revenues of WSE Group and revenue structure in selected quarters, 2013-2014

PLN'000, %	Three-month period ended					
	31 March 2014	*%*	**31 December 2013**	*%*	**31 March 2013**	*%*
Financial market	**55,952**	***64%***	**51,527**	***72%***	**52,519**	***66%***
Trading	39,775	*46%*	36,441	*51%*	38,182	*48%*
Equities and equity-related instruments	29,772	*34%*	27,541	*39%*	27,843	*35%*
Derivative instruments	5,515	*6%*	4,789	*7%*	5,343	*7%*
Other fees paid by market participants	1,435	*2%*	1,412	*2%*	1,517	*2%*
Debt instruments	2,985	*3%*	2,652	*4%*	3,437	*4%*
Other cash instruments	68	*0%*	47	*0%*	43	*0%*
Listing	6,336	*7%*	5,716	*8%*	5,737	*7%*
Listing fees	4,870	*6%*	4,209	*6%*	4,330	*5%*
Introduction and admission fees, other fees	1,466	*2%*	1,507	*2%*	1,408	*2%*
Information services	9,841	*11%*	9,370	*13%*	8,599	*11%*
Commodity market	**30,066**	***35%***	**18,848**	***27%***	**26,130**	***33%***
Trading	16,140	*19%*	10,774	*15%*	11,888	*15%*
Electricity	3,170	*4%*	3,798	*5%*	3,075	*4%*
Spot	651	*1%*	645	*1%*	881	*1%*
Forward	2,519	*3%*	3,153	*4%*	2,194	*3%*
Gas	53	*0%*	67	*0%*	7	*0%*
Spot	7	*0%*	10	*0%*	3	*0%*
Forward	46	*0%*	57	*0%*	4	*0%*
Property rights in certificates of origin	10,203	*12%*	4,750	*7%*	7,170	*9%*
Other fees paid by market participants	2,714	*3%*	2,159	*3%*	1,636	*2%*
Register of certificates of origin	7,094	*8%*	2,996	*4%*	7,897	*10%*
Clearing	6,832	*8%*	5,078	*7%*	6,345	*8%*
Other revenue	**489**	***1%***	**472**	***1%***	**709**	***1%***
Total	**86,507**	***100%***	**70,847**	***100%***	**79,358**	***100%***

Source: Condensed Consolidated Interim Financial Statements, Company

WSE's separate revenue stood at PLN 53.3 million in Q1 2014, an increase of 8.1% (PLN 4.0 million) compared to Q4 2013 and an increase of 7.2% (PLN 3.6 million) compared to Q1 2013. The revenue increase compared both to Q4 2013 and Q1 2013 was mainly driven by an increase of trading revenue (equities and derivatives trading) and an increase of revenue from information services and listing revenue.

Separate revenues of WSE and revenue structure in selected quarters, 2013-2014

PLN'000, %	Three-month period ended					
	31 March 2014	%	31 December 2013	%	31 March 2013	%
Financial market	**52,908**	***99%***	**48,876**	***99%***	**49,104**	***99%***
Trading	36,864	*69%*	33,873	*69%*	34,937	*70%*
Equities and equity-related instruments	29,772	*56%*	27,540	*56%*	27,843	*56%*
Derivative instruments	5,515	*10%*	4,789	*10%*	5,343	*11%*
Other fees paid by market participants	1,435	*3%*	1,413	*3%*	1,517	*3%*
Debt instruments	74	*0%*	84	*0%*	192	*0%*
Other cash instruments	68	*0%*	47	*0%*	43	*0%*
Listing	6,201	*12%*	5,629	*11%*	5,576	*11%*
Listing fees	4,831	*9%*	4,178	*8%*	4,314	*9%*
Introduction and admission fees, other fees	1,370	*3%*	1,451	*3%*	1,263	*3%*
Information services	9,843	*18%*	9,373	*19%*	8,590	*17%*
Commodity market	**-**	***0%***	**-**	***0%***	**131**	***0%***
Trading	-	*0%*	-	*0%*	131	*0%*
Electricity	-	*0%*	-	*0%*	97	*0%*
Spot	-	*0%*	-	*0%*	96	*0%*
Forward	-	*0%*	-	*0%*	1	*0%*
Gas	-	*0%*	-	*0%*	-	*0%*
Spot	-	*0%*	-	*0%*	-	*0%*
Forward	-	*0%*	-	*0%*	-	*0%*
Property rights in certificates of origin	-	*0%*	-	*0%*	-	*0%*
Other fees paid by market participants	-	*0%*	-	*0%*	34	*0%*
Register of certificates of origin	-	*0%*	-	*0%*	-	*0%*
Clearing	-	*0%*	-	*0%*	-	*0%*
Other revenue	**373**	***1%***	**424**	***1%***	**450**	***1%***
Total	**53,282**	***100%***	**49,300**	***100%***	**49,684**	***100%***

Source: Company

The Group earns revenue both from domestic and foreign clients. The table below presents quarterly revenue by geographic segment.

Consolidated revenues of WSE Group by geographical segment in selected quarters, 2013-2014

PLN'000, %	Three-month period ended					
	31 March 2014	%	31 December 2013	%	31 March 2013	%
Revenue from foreign customers	18,149	*21%*	14,798	*21%*	15,047	*19%*
Revenue from local customers	68,358	*79%*	56,049	*79%*	64,311	*81%*
Total	**86,507**	***100%***	**70,847**	***100%***	**79,358**	***100%***

Source: Condensed Consolidated Interim Financial Statements, Company

Financial Market

Trading

Revenue of the Group from **trading** on the financial market stood at PLN 39.8 million in Q1 2014, an increase of 9.2% (PLN 3.3 million) compared to Q4 2013 and an increase of 4.2% (PLN 1.6 million) compared to Q1 2013.

Equities and equity-related instruments

Revenue from trading in **equities and other equity instruments** stood at PLN 29.8 million in Q1 2014 compared to PLN 27.5 million in Q4 2013 (an increase of 8.1%) and PLN 27.8 million in Q1 2013 (an increase of 6.9%).

The key operational parameters of trading in equities on the Main Market in the quarters under review were as follows:

- the value of session trades in equities on the Main Market increased by 9.9% in Q1 2014 compared to Q4 2013 and by 8.1% compared to Q1 2013. The value of monthly session trading in equities was PLN 22.6 billion in March 2014, the highest since August 2011;
- the value of session and block trades was PLN 62.9 billion (including block trades of PLN 2.7 billion) in Q1 2014, PLN 62.4 billion (including block trades of PLN 7.6 billion) in Q4 2013 and PLN 71.1 billion (including block trades of PLN 15.4 billion) in Q1 2013;
- the total volume of trading was 8.1 billion shares in Q1 2014, 8.2 billion shares in Q4 2013, and 8.2 billion shares in Q1 2013;
- the average transaction value, calculated as the ratio of the total value of session trading to the number of session transactions, was PLN 14.8 thousand in Q1 2014 and was lower than in Q4 2013 (PLN 15.7 thousand) and lower than in Q1 2013 (PLN 18.7 thousand);
- the WIG30 index increased by 3.0% from 2,537.53 points at the end of Q4 2013 to 2,612.52 points at the end of Q1 2014. The WIG20 index increased by 2.6% in the period under review.

The value of trading in shares on NewConnect (session and block trades) stood at PLN 342 million in Q1 2014, a decrease of 16.2% compared to Q4 2013 and an increase of 28.7% compared to Q1 2013.

Consolidated revenues of WSE Group from trading in equities and equity-related instruments, the value and volume of trading in equities and equity-related instruments in selected quarters, 2013-2014

	Three-month period ended		
	31 March 2014	**31 December 2013**	**31 March 2013**
Financial market, trading revenue: equities and equity-related instruments ***(PLN million)***	**29.8**	**27.5**	**27.8**
Main Market:			
Value of trading *(PLN billion)*	62.9	62.4	71.1
Volume of trading *(billions of shares)*	8.1	8.2	8.2
NewConnect:			
Value of trading *(PLN billion)*	0.3	0.4	0.3
Volume of trading *(billions of shares)*	0.6	0.5	0.6

Source: Condensed Consolidated Interim Financial Statements, Company

Derivatives

Revenue of the Group from trading in **derivatives** on the financial market stood at PLN 5.5 million in Q1 2014, an increase of 15.2% (PLN 0.7 million) compared to Q4 2013 and an increase of 3.2% (PLN 0.2 million) compared to Q1 2013.

The increase of revenue from trading in derivatives in Q1 2014 compared to both Q4 2013 and Q1 2013 was mainly driven by a higher volume of trading in WIG20 futures (by 17.3% and 4.8%, respectively).

Consolidated revenues of WSE Group from trading in financial derivatives, the volume of trading in financial derivatives in selected quarters, 2013-2014

	Three-month period ended		
	31 March 2014	**31 December 2013**	**31 March 2013**
Financial market, trading revenue: derivatives *(PLN million)*	**5.5**	**4.8**	**5.3**
Volume of trading in derivatives *(millions of contracts):*	3.2	2.7	3.2
incl.: volume of trading in WIG20 futures *(millions of contracts)*	2.2	1.9	2.1

Source: Condensed Consolidated Interim Financial Statements, Company

Other fees paid by market participants

Revenue of the Group from **other fees** paid by market participants stood at PLN 1.4 million in Q1 2014 compared to PLN 1.4 million in Q4 2013 and PLN 1.5 million in Q1 2013. These were mainly fees for access to the trading system (including licence fees, connection fees, maintenance fees). WSE replaced WARSET with a new trading system, UTP, in April 2013; consequently, the structure of those fees changed as of Q2 2013.

Debt instruments

Revenue of the Group in the **debt instruments** subsegment stood at PLN 3.0 million in Q1 2014, an increase of 12.6% compared to Q4 2013 and a decrease of 13.1% compared to Q1 2013. The Group's revenue in the debt instruments segment was generated mainly by Treasury BondSpot Poland (TBSP).

The value of trading on TBSP stood at PLN 109.5 billion of conditional transactions and PLN 82.2 billion of cash transactions in Q1 2014. The value of conditional transactions decreased by 24.0% and by 7.2% while the value of cash transactions increased by 44.3% and decreased by 20.2% compared to Q4 2013 and compared to Q1 2013, respectively.

The factors driving the value of trading on the bond market include the modifications introduced to the pension system. The modifications, effective as of early February 2014, restricted the trading activity of an important group of institutional investors: open-ended pension funds, which also had an impact on trading value in the interbank segment.

The value of trading on Catalyst increased from PLN 0.77 billion in Q4 2013 (including PLN 0.68 billion of session trades) to PLN 0.85 billion in Q1 2014 (including PLN 0.79 billion of session trades). The value of trading was PLN 1.6 billion in Q1 2013 (including 0.95 billion of session trades). These revenues have a small share in the Group's total revenues from trading in debt instruments.

Consolidated revenues of WSE Group from trading in debt instruments, the value of trading in debt instruments in selected quarters, 2013-2014

	Three-month period ended		
	31 March 2014	**31 December 2013**	**31 March 2013**
Financial market, trading revenue: debt instruments *(PLN million)*	**3.0**	**2.7**	**3.4**
Catalyst:			
Value of trading *(PLN billion)*	0.8	0.8	1.6
incl.: Value of trading in non-Treasury instruments *(PLN billion)*	0.7	0.7	1.5
Treasury BondSpot Poland, value of trading:			
Conditional transactions (*PLN billion*)	109.5	144.1	118.0
Cash transactions (*PLN billion*)	82.2	57.0	103.1

Source: Condensed Consolidated Interim Financial Statements, Company

Other cash market instruments

Revenue from trading in **other cash market instruments** stood at PLN 0.07 million in Q1 2014 compared to PLN 0.05 million in Q4 2013 and PLN 0.04 million in Q1 2013. The revenue includes fees on trading in structured products, investment certificates, ETF units and warrants.

Listing

Listing revenue on the financial market stood at PLN 6.3 million in Q1 2014, an increase of 10.8% (PLN 0.6 million) compared to Q4 2013 and an increase of 10.4% (PLN 0.6 million) compared to Q1 2013.

Revenue from **listing fees** stood at PLN 4.9 million in Q1 2014, an increase of 15.7% compared to PLN 4.2 million in Q4 2013 and an increase of 12.5% compared to PLN 4.3 million in Q1 2013. The main driver of the revenue from listing is the number of companies listed on WSE's trading markets and their capitalisation as at the year's end. The increase in revenue from listing fees in Q1 2014 compared to the other quarters under review was mainly driven by a higher capitalisation of companies on the Main Market at the end of 2013 as the basis of the fees for 2014.

Revenue from fees for **admission and other fees** in the quarters under review stood at PLN 1.5 million, PLN 1.5 million, and PLN 1.4 million, respectively. The main driver of the revenue is the number and value of new offers on WSE's trading markets.

Five companies were newly listed on the **Main Market** and the total value of IPOs and SPOs was PLN 1.0 billion in Q1 2014 compared to 9 new listings worth PLN 4.8 billion in Q4 2013 and 3 new listings worth PLN 1.4 billion in Q1 2013. There were 450 companies listed on the Main Market and their total capitalisation was PLN 892.0 billion at the end of Q1 2014 compared to 450 companies worth PLN 840.8 billion at the end of Q4 2013 and 439 companies worth PLN 708.7 billion at the end of Q1 2013.

Consolidated listing revenue of WSE Group, market capitalisation, number of listed companies, number and capitalisation of new listings, value of IPOs and SPOs, number and value of delistings on the Main Market in selected quarters, 2013-2014

	As at / For the three-month period ended		
	31 March 2014	**31 December 2013**	**31 March 2013**
Main Market			
Listing revenue *(PLN million)*	**5.4**	**4.9**	**4.8**
Capitalisation of listed companies *(domestic) (PLN billion)*	613.4	593.5	514.3
Capitalisation of listed companies *(foreign) (PLN billion)*	278.6	247.3	194.4
Number of listed companies *(domestic)*	404	403	395
Number of listed companies *(foreign)*	46	47	44
Value of offerings *(IPO and SPO) (PLN billion)*	1.0	4.8	1.4
Number of new listings *(in the period)*	5	9	3
Capitalisation of new listings *(PLN billion)*	1.5	13.1	1.1
Number of delistings	5	2	2
Capitalisation of delistings* *(PLN billion)*	0.5	0.1	4.5

** based on market capitalisation at the time of delisting*

Source: Company

Eight companies were newly listed on **NewConnect** and the total value of IPOs and SPOs was PLN 78 million in Q1 2014 compared to 6 new listings worth PLN 222 million in Q4 2013 and 12 new listings worth PLN 115 million in Q1 2013. There were 442 companies listed on NewConnect and their total capitalisation was PLN 10.1 billion at the end of Q1 2014 compared to 445 companies worth PLN 11.0 billion at the end of Q4 2013 and 436 companies worth PLN 10.6 billion at the end of Q1 2013.

Consolidated listing revenue of WSE Group, market capitalisation, number of listed companies, number and capitalisation of new listings, value of IPOs and SPOs, number and value of delistings on NewConnect in selected quarters, 2013-2014

	As at / For the three-month period ended		
	31 March 2014	**31 December 2013**	**31 March 2013**
NewConnect			
Listing revenues *(PLN million)*	**0.7**	**0.6**	**0.7**
Capitalisation of listed companies *(domestic) (PLN billion)*	9.6	10.4	10.2
Capitalisation of listed companies *(foreign) (PLN billion)*	0.5	0.6	0.3
Number of listed companies *(domestic)*	432	434	428
Number of listed companies *(foreign)*	10	11	8
Value of offerings *(IPO and SPO) (PLN billion)*	0.1	0.2	0.1
Number of new listings *(in the period)*	8	6	12
Capitalisation of new listings *(PLN billion)*	0.1	0.2	0.4
Number of delistings*	11	6	5
Capitalisation of delistings** *(PLN billion)*	0.4	0.4	0.1

** includes companies which transitioned to listing on the Main Market*
***based on market capitalisation at the time of delisting*

Source: Company

The number of issuers on the **Catalyst** market grew in the period under review. Catalyst listed instruments of 177 issuers (including the State Treasury) at the end of Q1 2014 compared to 176 issuers at the end of Q4 2013 and 163 issuers at the end of Q1 2013. The total nominal value of issued instruments was PLN 514.9 billion at the end of Q1 2014 compared to PLN 619.1 billion at the end of Q4 2013 and PLN 595.0 billion at the end of Q1 2013, including the value of non-Treasury instruments at PLN 60.7 billion, PLN 58.9 billion, and PLN 54.3 billion, respectively. The decrease in the total nominal value of issued bonds in Q1 2014 was mainly driven by the transfer to the Social Security Institution (ZUS) and the cancellation of Treasury bonds previously held by open-ended pension funds.

Consolidated listing revenue of WSE Group, number of issuers, number of issued instruments and value of issued instruments on Catalyst in selected quarters, 2013-2014

	As at / For the three-month period ended		
	31 March 2014	**31 December 2013**	**31 March 2013**
Catalyst			
Listing revenue *(PLN million)*	**0.2**	**0.2**	**0.3**
Number of issuers	177	176	163
Number of issued instruments	460	442	397
of which: non-Treasury instruments	*427*	*408*	*361*
Value of issued instruments *(PLN billion)*	514.9	619.1	595.0
of which: non-Treasury instruments	*60.7*	*58.9*	*54.3*

Source: Company

Information services

Revenue from **information services** stood at PLN 9.8 million in Q1 2014 compared to PLN 9.4 million in Q4 2013 and PLN 8.6 million in Q1 2013. In Q1 2014, the Group earned a record-high quarterly revenue from information services since the launch of the service in 1997. The record-high quarterly revenue was driven by an increase of the number of subscribers of professional data feeds, an increase of the number of data vendors and a change of the structure of fees including an increase of some fees (PLN 0.7 million). In Q4 2013, the revenue was mainly driven by the booking of one-off information service fees (PLN 0.5 million).

Consolidated revenues of WSE Group from information services, number of data vendors and subscribers in selected quarters, 2013-2014

	As at / For the three-month period ended		
	31 March 2014	31 December 2013	31 March 2013
Revenues from information services *(PLN million)*	**9.8**	**9.4**	**8.6**
Number of data vendors	59	58	56
Number of subscribers *('000 subscribers)***	266.6	261.9	259.6

** As at the end of February 2014: WSE receives reports from data vendors within 30 days of the end of a month.*

Source: Company

Commodity market

Revenue from the commodity market includes mainly the revenue of the PolPX Group and the revenue of WSEInfoEngine S.A. from its business as a trade operator, as well as the revenue of WSE from the WSE Energy Market poee (until the end of Q1 2013).

Revenues of the PolPX Group are mainly driven by the volume of transactions in electricity, gas and property rights, the volume of certificates of origin issued and cancelled by members of the Register of Certificates of Origin, as well as revenues from clearing and settlement of transactions in exchange commodities in the clearing subsegment operated by WCCH.

Revenues of the WSE Group from the **commodity market** stood at PLN 30.1 million in Q1 2014 compared to PLN 18.8 million in Q4 2013 and PLN 26.1 million in Q1 2013, including the revenue of the PolPX Group in the quarters under review at PLN 28.8 million, PLN 18.4 million, and PLN 25.7 million, respectively.

The increase of the revenue from the commodity market by 59.5% (PLN 11.2 million) in Q1 2014 compared to Q4 2013 was mainly driven by an increase of revenue from trading on the market of property rights in certificates of origin of electricity, an increase of revenue from the operation of the register of certificates of origin and an increase of revenue from clearing and settlement of exchange-traded commodities performed by WCCH. On the other hand, revenue from forward transactions in electricity decreased.

In Q1 2014, the Group’s revenue from the commodity market increased by PLN 3.9 million year on year. The revenue increased despite the termination, at the end of 2012, of the system of support for the production of power and heat in high-efficiency cogeneration and the resulting decrease, in Q1 2014, of fees from trading in property rights in red and yellow certificates of origin of electricity and the registration of cancellations of red and yellow certificates of origin. The increase of revenue was mainly driven by a higher revenue from trading in property rights in certificates of origin of electricity and a higher revenue from other fees paid by commodity market participants.

Trading

Trading revenues of the WSE Group on the commodity market amounted to PLN 16.1 million in Q1 2014, including PLN 0.7 million of revenues from spot transactions in electricity, PLN 2.5 million of revenues from forward transactions in electricity, PLN 0.05 million of revenues from transactions in gas, PLN 10.2 million of revenues from transactions in property rights in certificates of origin of electricity, and PLN 2.7 million of other fees paid by market participants.

Revenues from trading on the commodity market in Q1 2014 increased by PLN 5.4 million compared to Q4 2013 and increased by PLN 4.3 million compared to Q1 2013. The increase of the revenue in Q1 2014 compared to Q4 2013 and to Q1 2013 was mainly driven by an increase of revenue from trading in property rights in certificates of origin of electricity (an increase compared to the quarters under review of PLN 5.5 million and PLN 3.0 million, respectively).

Consolidated trading revenue of WSE Group on the commodity market and the volume of trading on the commodity market in selected quarters, 2013-2014

	Three-month period ended		
	31 March 2014	**31 December 2013**	**31 March 2013**
Commodity market - trading revenue (PLN million)	**16.1**	**10.8**	**11.9**
Volume of trading in electricity (WSE EM poee* and PolPX):			
Spot transactions *(TWh)*	6.5	6.3	6.0
Forward transactions *(TWh)*	35.0	42.3	29.9
Volume of trading in gas** (PolPX):			
Spot transactions *(TWh)*	0.1	0.2	0.1
Forward transactions *(TWh)*	0.9	1.5	0.1
Volume of trading in property rights (PolPX) *(TWh)*	11.1	5.8	23.7

** As of 31 March 2013, trading on WSE EM poee was discontinued.*
*** Gas Market opened on PolPX on 20 December 2012.*

Source: Company

Revenue of the Group from trading in **electricity** stood at PLN 3.2 million in Q1 2014 compared to PLN 3.8 million in Q4 2013 and PLN 3.1 million in Q1 2013. The total volume of trading on the energy markets operated by PolPX stood at 41.5 TWh in Q1 2014 compared to 48.6 TWh in Q4 2013 and 35.9 TWh in Q1 2013.

The main source of revenue from trading in energy is the forward market, which is seasonal. Activity of market participants and trading increase significantly in the second half of every year, in particular on the market of forward contracts with physical delivery over the next year.

The revenue of the Group from **trading in gas** stood at PLN 0.05 million in Q1 2014 compared to PLN 0.07 million in Q4 2013 and PLN 7 thousand in Q1 2013. The volume of trade in natural gas on PolPX was 1.0 TWh in Q1 2014, 1.7 TWh in Q4 2013 and 0.2 TWh in Q1 2013.

PolPX's offer in the natural gas segment addresses market demand following the amendment of the energy law of 26 July 2013 (effective as of 11 September 2013), imposing the obligation to sell a percentage of natural gas supplied to the transmission grid within the year on a commodity exchange or a market organised by an entity operating a regulated market in the Republic of Poland. The obligation is binding on energy companies which trade in gas fuels and amounts to 40% in 2014 and 55% in 2015 and beyond.

The Group's revenue from the operation of **trading in property rights** stood at PLN 10.2 million in Q1 2014 compared to PLN 4.8 million in Q4 2013 and PLN 7.2 million in Q1 2013. The volume of trading in property rights stood at 11.1 TWh in Q1 2014 and was higher than in Q4 2013 (5.8 TWh) and lower than in Q1 2013 (23.7 TWh). The significant decrease in the volume of trading compared to Q1 2013 was mainly driven by the absence of trade in PMEC and PMGM instruments following the termination of the system of support for generation of electricity from high-efficiency cogeneration as of the end of 2012.

The lower volume of trading driven by the absence of transactions in those instruments was partly offset in Q1 2014 by increased activity of participants of the property rights market trading in RES instruments (green certificates of origin of electricity). The volume of trade in property rights in green certificates of origin of electricity was 10.7 TWh in Q1 2014, an increase of 60.5% compared to 6.7 TWh in Q1 2013 and an increase of 92.0% compared to 5.6 TWh in Q4 2013. In addition to the higher volume of trade in property rights in green certificates of origin, the higher revenue from trading in property rights in Q1 2014 compared to Q4 2013 and Q1 2013 was also driven by the expiration of promotional fees on trade in property rights in green certificates of origin outside trading sessions (as of the end of June 2013) and at trading sessions (as of the end of 2013).

The increase of the volume of trade in property rights in the first quarter of each of the years under review was mainly driven by the end of the financial year for the mandatory cancellation of certificates of origin (on 31 March). Market participants buy certificates of origin from electricity producers to increase their property rights balances and subsequently cancel the certificates.

The revenue of the Group from **other fees paid by commodity market participants** stood at PLN 2.7 million in Q1 2014 compared to PLN 2.2 million in Q4 2013 and PLN 1.6 million in Q1 2013. Other fees paid by commodity market participants included fees from market participants of PolPX as well as revenues of WSEInfoEngine acting as a trade operator and part of the revenues of the WSE Energy Market poee (until the end of Q1 2013).

Register of Certificates of Origin

Revenue from the operation of the **Register of Certificates of Origin** stood at PLN 7.1 million in Q1 2014 compared to PLN 3.0 million in Q4 2013 and PLN 7.9 million in Q1 2013. The increase of the revenue in Q1 2014 compared to Q4 2013 was mainly driven by an increase of the volume of certificates of origin issued and cancelled in Q1 2014.

Consolidated revenue of WSE Group from operation of the Register of Certificates of Origin of electricity, volume of issued and cancelled property rights in selected quarters, 2013-2014

	Three-month period ended		
	31 March 2014	**31 December 2013**	**31 March 2013**
Commodity market - revenue from operation of the Register of Certificates of Origin of electricity (PLN million)	**7.1**	**3.0**	**7.9**
Issued property rights *(TWh)*	8.8	3.5	13.8
Cancelled property rights *(TWh)*	9.7	1.9	34.2

Source: Company

Clearing

The Group earns revenue from the **clearing activities** of WCCH, which is a subsidiary of PolPX. The revenue stood at PLN 6.8 million in Q1 2014 compared to PLN 5.1 million in Q4 2013 and PLN 6.3 million in Q1 2013. The increase in revenue in Q1 2014 compared to Q1 2013 was mainly driven by an increase of the volume of trading in property rights in green certificates of origin of energy from renewable energy sources (RES) both on the exchange and outside the exchange.

Other revenue

The Group's other revenue stood at PLN 0.5 million in Q1 2014 compared to PLN 0.5 million in Q4 2013 and PLN 0.7 million in Q1 2013. The Group earns other revenue from educational and PR services, office space lease and sponsorship.

2.2.3. Operating expenses

Total operating expenses of the **WSE Group** stood at PLN 43.9 million in Q1 2014, a decrease of 2.6% (PLN 1.2 million) compared to Q4 2013 and an increase of 19.2% (PLN 7.1 million) compared to Q1 2013. The decrease of expenses compared to Q4 2013 was mainly driven by lower external service charges (decrease of PLN 3.0 million) and other operating expenses (decrease of PLN 0.7 million) partially offset by higher salaries and other employee costs (increase of PLN 2.6 million).

The increase of expenses in Q1 2014 compared to Q1 2013 was mainly driven by higher depreciation and amortisation (increase of PLN 3.5 million) mainly due to the implementation of the UTP trading system, higher external service charges (increase of PLN 3.2 million), mainly at WSE, the PolPX Group and WSEInfoengine, as well as higher fees and charges (increase of PLN 0.9 million), mainly fees paid to PFSA. On the other hand, other operating expenses decreased by PLN 0.6 million in the period under review. Furthermore, UTP expenditure was capitalised at PLN 1.6 million in Q1 2013.

Operating expenses of the **PolPX Group** stood at PLN 7.2 million in Q1 2014, PLN 7.8 million in Q4 2013, and PLN 5.9 million in Q1 2013. Operating expenses of **BondSpot** in the quarters under review stood at PLN 2.3 million, PLN 2.6 million, and PLN 2.1 million, respectively.

Consolidated operating expenses of WSE Group and structure of operating expenses in selected quarters, 2013-2014

	Three-month period ended					
PLN'000, %	**31 March 2014**	*%*	**31 December 2013**	*%*	**31 March 2013**	*%*
Depreciation and amortisation	7,183	*17%*	7,203	*16%*	3,676	*10%*
Salaries	13,754	*31%*	11,701	*26%*	14,168	*38%*
Other employee costs	3,549	*8%*	3,003	*7%*	3,019	*8%*
Rent and other maintenance fees	2,542	*6%*	2,677	*6%*	2,544	*7%*
Fees and charges	5,743	*13%*	5,612	*12%*	4,838	*13%*
including: PFSA fees	*5,210*	*12%*	*4,956*	*11%*	*4,356*	*12%*
External service charges	9,708	*22%*	12,721	*28%*	6,544	*18%*
Other operating expenses	1,458	*3%*	2,191	*5%*	2,056	*6%*
Total	**43,937**	***100%***	**45,108**	***100%***	**36,845**	***100%***

Source: Condensed Consolidated Interim Financial Statements, Company

Separate operating expenses of **WSE** stood at PLN 32.2 million in Q1 2014, a decrease of 2.9% (PLN 1.0 million) compared to Q4 2013 and an increase of 14.0% (PLN 3.9 million) compared to Q1 2013.

The overall operating expenses in Q1 2014 compared to Q4 2013 were mainly driven by an increase of salaries and other employee costs (by PLN 2.4 million) and a decrease of external service charges (by PLN 3.2 million). The higher salaries and other employee costs in Q1 2014 were mainly driven by the cost of jubilee bonuses due to employees with many years of service, charges due to higher social security contributions paid in the first quarters of 2014, the recognition of quarterly updates of the unused holiday leave provisions, reversal of provisions against annual bonuses in Q4 2013 and a change in employees motivational system as of January 2014. The decrease of external service charges was mainly driven by lower costs of advisory and legal services, lower promotion costs and lower costs of software maintenance and modification.

The increase of operating expenses compared to Q1 2013 was mainly driven by an increase of depreciation and amortisation by PLN 3.2 million, mainly due to the commencement of use of the trading system UTP as of April 2013, higher external service charges (mainly software and hardware maintenance as well as data transmission line costs) and higher fees and charges (an increase of fees paid to PFSA by PLN 0.9 million).

Separate operating expenses of WSE and structure of operating expenses in selected quarters, 2013-2014

	Three-month period ended					
PLN'000, %	**31 March 2014**	*%*	**31 December 2013**	*%*	**31 March 2013**	*%*
Depreciation and amortisation	6,066	*19%*	6,071	*18%*	2,894	*10%*
Salaries	8,537	*27%*	6,508	*20%*	9,616	*34%*
Other employee costs	2,652	*8%*	2,261	*7%*	2,310	*8%*
Rent and other maintenance fees	2,092	*7%*	2,216	*7%*	2,038	*7%*
Fees and charges	5,378	*16%*	5,153	*15%*	4,494	*16%*
including: PFSA fees	*5,210*	*16%*	*4,956*	*15%*	*4,356*	*15%*
External service charges	6,525	*20%*	9,737	*29%*	5,252	*19%*
Other operating expenses	923	*3%*	1,201	*4%*	1,621	*6%*
Total	**32,173**	***100%***	**33,146**	***100%***	**28,225**	***100%***

Source: Company

The comments below concerning operating expenses items are based on **consolidated figures of the WSE Group**.

Depreciation and amortisation: Depreciation and amortisation stood at PLN 7.2 million in Q1 2014 compared to PLN 7.2 million in Q4 2013 and PLN 3.7 million in Q1 2013. The significant increase in depreciation and amortisation in Q1 2014 and Q4 2013 compared to Q1 2013 was mainly driven by the depreciation and amortisation of the trading system UTP as of April 2013.

Salaries and other employee costs: Salaries and other employee costs stood at PLN 17.3 million in Q1 2014 compared to PLN 14.7 million in Q4 2013 and PLN 17.2 million in Q1 2013.

The increase of salaries in Q1 2014 compared to Q4 2013 was mainly driven by costs of WSE including jubilee bonuses due to employees with many years of service, charges due to higher social security contributions paid in the first quarters of 2014, the recognition of quarterly updates of the unused holiday leave provisions, reversal of provisions against annual bonuses in Q4 2013 and a change in employee motivational system as of January 2014.

The increase of salaries and other employees costs was also reported in the PolPX Group, mainly as a result of quarterly provisions set up against employee bonuses.

Following the completed implementation of UTP, related expenditure was no longer capitalised as of Q2 2013. Capitalised salaries and other employee costs stood at PLN 1.3 million in Q1 2013.

The headcount of the Group was 349 FTEs at 31 March 2014. The increase of the Group's headcount in Q1 2014 compared to Q4 2013 was mainly driven by the increased headcount of PolPX (additional 8 employees) due to the implementation of the company's new development initiatives.

Employment in WSE Group

	As at		
# FTEs	**31 March 2014**	**31 December 2013**	**31 March 2013**
WSE	206	205	207
Subsidiaries	143	134	114
Total	**349**	**339**	**321**

Source: Company

External service charges: External service charges stood at PLN 9.7 million in Q1 2014, a decrease of 23.7% compared to Q4 2013 and an increase of 48.4% compared to Q1 2013.

The decrease compared to Q4 2013 was mainly reported at WSE and the PolPX Group (a decrease of PLN 3.2 million and PLN 0.7 million, respectively). On the other hand, external service charges at WSEInfoEngine increased (by PLN 0.7 million). External service charges in Q1 2014 compared to Q4 2013 were driven by the following factors:

- lower costs of WSE including lower cost of advisory and legal services (a decrease of PLN 0.9 million), lower cost of promotion and advertising (a decrease of PLN 0.8 million) and lower cost of transport services (a decrease of PLN 0.2 million). The cost of software and hardware maintenance and modification also decreased (by PLN 0.7 million) in the period under review;

- lower costs of PolPX including cost of software modification (a decrease of PLN 0.4 million), lower cost of advisory and legal services (a decrease of PLN 0.5 million) and lower cost of training (a decrease of PLN 0.1 million). On the other hand, the cost of promotion and advertising increased by PLN 0.4 million;

- higher costs of WSEInfoEngine due to implemented development projects.

The increase of external service charges compared to Q1 2013 was mainly due to higher costs of WSE (an increase of PLN 1.3 million) and higher costs of WSEInfoEngine and the PolPX Group (an increase of PLN 1.1 million and PLN 0.7 million, respectively). The increase of costs in Q1 2014 compared to Q1 2013 was driven by the following factors:

- higher cost of WSE including higher cost of software and hardware maintenance and modification (an increase of PLN 0.4 million), higher cost of advisory and legal services (an increase of PLN 0.2 million), higher cost of data transmission lines (an increase of PLN 0.3 million) and higher cost of promotion and advertising (an increase of PLN 0.2 million);

- higher costs of WSEInfoEngine due to implemented development projects;

- higher costs of the PolPX Group due to higher cost of promotions (an increase of PLN 0.4 million) and cost of advisory (an increase of PLN 0.3 million).

Rent and other maintenance fees: Rent and other maintenance fees were stable in the quarters under review and stood at PLN 2.5 million in Q1 2014 compared to PLN 2.7 million in Q4 2013 and PLN 2.5 million in Q1 2013.

Fees and charges: Fees and charges stood at PLN 5.7 million in Q1 2014, PLN 5.6 million in Q4 2013 and PLN 4.8 million in Q1 2013. The main part of these costs are fees paid by WSE to PFSA for supervision over the capital market. The fees paid to PFSA stood at PLN 5.2 million in Q1 2014, PLN 5.0 million in Q4 2013 and PLN 4.4 million in Q1 2013. According to information from PFSA, the advance fee for supervision over the capital market will be PLN 5.2 million in Q2 2014.

Other operating expenses: Other operating expenses stood at PLN 1.5 million in Q1 2014, PLN 2.2 million in Q4 2013 and PLN 2.1 million in Q1 2013. The decrease of expenses in Q1 2014 compared to Q4 2013 was mainly driven by lower costs of materials and energy consumption and business travel.

The decrease of costs in Q1 2014 compared to Q1 2013 was mainly driven by lower costs of low-value software, lower costs of electricity, lower conference attendance costs and lower professional organisation membership fees.

Other operating expenses included mainly costs of materials and electricity, business travel, professional organisation membership fees, non-life insurance, and conferences.

2.2.4. Other income and expenses

Other income of the Group stood at PLN 0.2 million in Q1 2014 compared to PLN 1.5 million in Q4 2013 and PLN 1.3 million in Q1 2013.

Other income in the periods under review was mainly driven by the following factors:

- PolPX Group income at PLN 1.0 million in Q1 2013 due to an adjustment of the VAT sale ratio for 2012 applied by the PolPX Group to deduct VAT accrued on purchase invoices;
- recognition in Q4 2013 of debt enforced from WSE clients in respect of information services at PLN 0.8 million.

Other expenses of the Group stood at PLN 0.9 million in Q1 2014 compared to PLN 0.8 million in Q4 2013 and PLN 0.7 million in Q1 2013.

Other expenses in the quarters under review mainly included provisions set up by WSE against doubtful debt at PLN 0.3 million in Q1 2014, PLN 0.4 million in Q4 2013 and PLN 0.7 million in Q1 2013.

The Group paid the cost of donations at PLN 37 thousand in Q1 2014 compared to PLN 57 thousand expensed in Q4 2013. The Group paid no cost of donations in Q1 2013.

2.2.5. Financial income and expenses

Financial income of the Group stood at PLN 2.6 million in Q1 2014, PLN 1.7 million in Q4 2013 and PLN 4.2 million in Q1 2013. The generated financial income includes mainly interest on bank deposits and coupons on Treasury bonds held by WSE. In addition, the higher financial income in Q1 2013 included debt under corporate bonds held by PolPX partly recovered in the bankruptcy procedure of Stocznia Szczecińska Porta Holding S.A.

Financial expenses of the Group stood at PLN 2.5 million in Q1 2014 compared to PLN 2.8 million in Q4 2013 and PLN 3.3 million in Q1 2013.

In December 2011 and February 2012, WSE issued bonds with a total nominal value of PLN 245.0 million. The date of bonds redemption is set on 2 January 2017. The bonds bear interest at a floating rate equal to WIBOR 6M + 1.17%, interest is paid semi-annually.

Interest on the bonds is the main contributor to the financial expenses of the Group. The interest cost was PLN 2.3 million in Q1 2014, PLN 2.4 million in Q4 2013 and PLN 3.2 million in Q1 2013. The lower financial expenses in Q1 2014 and Q4 2013 compared to Q1 2013 were mainly driven by lower interest costs on the bonds due to reduction of WIBOR 6M, which is the floating interest rate underlying the interest rate on the bonds. The interest rate on the bonds was 3.89% in Q1 2014 compared to 3.87% in Q4 2013 and 5.29% in Q1 2013.

2.2.6. Share of profit of associates

The Group's share of profit of associates stood at PLN 4.0 million in Q1 2014 compared to PLN 1.6 million in Q4 2013 and PLN 4.6 million in Q1 2013.

The share of profit of associates was mainly driven by the net profit of the **KDPW Group** which stood at PLN 14.1 million in Q1 2014 compared to PLN 4.2 million in Q4 2013 and PLN 14.1 million in Q1 2013. In Q1 2014, the KDPW Group earned revenue from the provision of new services: the Trade Repository and issuance and maintenance of LEI codes, which stood at PLN 1.6 million and PLN 1.8 million, respectively.

The company **Centrum Giełdowe** generated a net profit of PLN 0.7 million in Q1 2014 compared to PLN 0.9 million in Q4 2013 and a net loss of PLN 0.2 million in Q1 2013. The volatility of the net profit of Centrum

Giełdowe in the quarters under review is driven by fx differences due to the dates and amounts of repayment of the company's US$ denominated loan.

The company **Aquis Exchange Ltd** became an associate on the acquisition of the second tranche of shares by WSE in February 2014. In Q1 2014, Aquis Exchange Ltd contributed a loss of PLN 0.9 million as a share of profit of associates to the Group.

Profit / (Loss) of associates

PLN'000	Three-month period ended		
	31 March 2014	31 December 2013	31 March 2013
KDPW Group	14,087	4,182	14,078
Centrum Giełdowe S.A.	690	888	(178)
Aquis Exchange Ltd *	(2,762)	-	-
Total	**12,015**	**5,070**	**13,900**

WSE's share of profit / (loss) of associates

PLN'000	Three-month period ended		
	31 March 2014	31 December 2013	31 March 2013
KDPW Group	4,696	1,394	4,693
Centrum Giełdowe S.A.	171	220	(44)
Aquis Exchange Ltd *	(901)	-	-
Total	**3,966**	**1,614**	**4,649**

** for the period from 18.02.2014 to 31.03.2014*

Source: Condensed Consolidated Interim Financial Statements, Company

2.2.7. Income tax

Income tax of the Group was PLN 8.3 million in Q1 2014 compared to negative PLN 1.6 million in Q4 2013 and PLN 6.5 million in Q1 2013. The **effective income tax rate** in the quarters under review was 18.0%, negative 6.0% and 13.4%, respectively, as compared to the standard Polish corporate income tax rate of 19%.

The effective tax rate in the quarters of 2013 under review was mainly driven by a recognised tax relief for WSE's investments in new technologies and a significant difference between the opening tax value and the carrying value of the UTP system whose implementation was completed in April 2013 (to the extent of intangible assets).

In Q1 2013, WSE exercised the right to deduct the expenditure in new technologies incurred in 2006-2011 against taxable income. The tax refund from the Tax Office stood at PLN 1.1 million in Q1 2013. Furthermore, in Q4 2013, the Company once again recognised a tax relief for new technologies with regard to the investment in new technologies in 2013. As a result of the recognised tax relief, income tax was reduced by PLN 5.9 million.

Income tax **paid** by the Group was PLN 3.8 million in Q1 2014 compared to PLN 12.1 million in Q1 2013. WSE reported a tax credit of PLN 10.5 million at the end of 2013, which is expected to be offset against income tax due from the tax group (PLN 4.7 million) with the remainder cleared in the later quarters of 2014.

2.2.8. Group's balance sheet structure

The **balance-sheet total** of the Group stood at PLN 1.1 billion at the end of Q1 2014, an increase of 5.4% compared to the end of Q4 2013 and an increase of 6.0% compared to the end of Q1 2013.

Non-current assets of the Group stood at PLN 590.6 million representing 53% of total assets at the end of Q1 2014 compared to PLN 576.4 million or 54% at the end of Q4 2013 and PLN 579.2 million or 55% at the end of Q1 2013.

WSE acquired a second tranche of shares of Aquis Exchange Limited for PLN 15.2 million (GBP 3.0 million) in Q1 2014. The acquisition of the shares was financed with WSE's own funds. Following the transaction, WSE holds 39.06% of shares of Aquis Exchange giving 32.61% of economic and voting rights. WSE has two representatives on the company's Board of Directors. As of Q1 2014, Aquis is presented in the consolidated statement of financial position as an associate under investment in associates and is consolidated using equity accounting. The total value of the acquisition of 39.06% of shares was PLN 25.3 million. The decrease of available-for-sale financial assets was due to reclassification of the amount of acquisition of the first tranche of shares of Aquis Exchange Ltd (PLN 10.1 million) as investment in associates.

Current assets of the Group stood at PLN 525.5 million representing 47% of total assets at the end of Q1 2014 compared to PLN 482.7 million or 46% at the end of Q4 2013 and PLN 473.3 million or 45% at the end of Q1 2013. The change in the current assets in Q1 2014 was driven among others by the following factors:

- cash flows from operating activities of the Group;
- decrease of the assets of the WCCH clearing guarantee system;
- WSE's payment for the second tranche of shares of Aquis Exchange Limited.

Consolidated statement of financial position of WSE Group at the end of selected quarters, 2013-2014 (assets)

	As at					
PLN'000	**31 March 2014**	*%*	**31 December 2013**	*%*	**31 March 2013**	*%*
Non-current assets	**590,634**	***53%***	**576,421**	***54%***	**579,151**	***55%***
Property, plant and equipment	121,045	*11%*	124,042	*12%*	131,182	*12%*
Intangible assets	265,932	*24%*	269,155	*25%*	271,026	*26%*
Investment in associates	187,811	*17%*	158,540	*15%*	155,071	*15%*
Deferred tax assets	1,568	*0%*	-	*0%*	7,096	*1%*
Available-for-sale financial assets	10,775	*1%*	20,955	*2%*	11,141	*1%*
Prepayments	3,503	*0%*	3,729	*0%*	3,635	*0%*
Current assets	**525,507**	***47%***	**482,707**	***46%***	**473,336**	***45%***
Inventory	142	*0%*	166	*0%*	266	*0%*
Corporate income tax receivables	6,138	*1%*	10,797	*1%*	2,511	*0%*
Trade and other receivables	52,345	5%	34,792	3%	50,194	5%
Available-for-sale financial assets	272	*0%*	118	*0%*	272	*0%*
Other current financial assets	-	*0%*	3	*0%*	-	*0%*
Cash and cash equivalents	466,610	*42%*	436,831	*41%*	420,093	*40%*
incl.: assets of the clearing guarantee system	*107,996*	*10%*	*125,326*	*12%*	*144,120*	*14%*
Total assets	**1,116,141**	***100%***	**1,059,128**	***100%***	**1,052,486**	***100%***

Source: Condensed Consolidated Interim Financial Statements, Company

The **equity** of the Group stood at PLN 675.7 million representing 61% of the Group's total liabilities and equity at the end of Q1 2014 compared to PLN 638.1 million or 60% at the end of Q4 2013 and PLN 600.8 million or 57% at the end of Q1 2013.

Non-current liabilities of the Group stood at PLN 249.6 million representing 22% of the Group's total equity and liabilities at the end of Q1 2014 compared to PLN 249.6 million or 24% at the end of Q4 2013 and PLN 247.9 million or 24% at the end of Q1 2013. Non-current liabilities of the Group include mainly liabilities of WSE under issued bonds.

Current liabilities of the Group stood at PLN 190.9 million and represented 17% of the Group's total equity and liabilities at the end of Q1 2014 compared to PLN 171.4 million or 16% at the end of Q4 2013 and PLN 203.8 million or 19% at the end of Q1 2013. The change in the current liabilities in Q1 2014 was driven among others by the following factors:

- increase of VAT liabilities of the PolPX Group (in respect of market coupling and change of the relationship between energy purchase and sale transactions with EU members);
- decrease of liabilities of the WCCH clearing guarantee system;
- recognition of received or due amounts related to future reporting periods, in particular advance payment for annual invoices issued to contractors;
- interest accrual on WSE bonds for Q1 2014.

Consolidated statement of financial position of WSE Group at the end of selected quarters, 2013-2014 (equity and liabilities)

	As at					
PLN'000	**31 March 2014**	*%*	**31 December 2013**	*%*	**31 March 2013**	*%*
Equity	**675,692**	***61%***	**638,105**	***60%***	**600,756**	***57%***
Share capital	63,865	*6%*	63,865	*6%*	63,865	*6%*
Other reserves	1,249	*0%*	1,278	*0%*	1,806	*0%*
Retained earnings	609,436	*55%*	571,842	*54%*	533,614	*51%*
Non-controlling interests	1,142	*0%*	1,120	*0%*	1,471	*0%*
Non-current liabilities	**249,563**	***22%***	**249,578**	***24%***	**247,889**	***24%***
Employee benefits payable	4,452	*0%*	4,456	*0%*	4,314	*0%*
Finance lease liabilities	284	*0%*	439	*0%*	289	*0%*
Provisions for other liabilities and charges	-	*0%*	-	*0%*	15	*0%*
Liabilities under bond issue	243,733	*22%*	243,617	*23%*	243,272	*23%*
Deferred income tax liability	1,094	*0%*	1,066	*0%*	-	*0%*
Current liabilities	**190,886**	***17%***	**171,445**	***16%***	**203,841**	***19%***
Trade payables	3,763	*0%*	12,738	*1%*	8,924	*1%*
Finance lease liabilities	338	*0%*	365	*0%*	337	*0%*
Corporate income tax payable	1,990	*0%*	657	*0%*	1,705	*0%*
Liabilities under bond issue	2,336	*0%*	-	*0%*	3,214	*0%*
Dividends and other liabilities	171,327	*15%*	144,035	*14%*	177,709	*17%*
incl. liabilities of the clearing guarantee system	*107,996*	*10%*	*125,326*	*12%*	*144,120*	*14%*
Employee benefits payable	9,240	*1%*	11,511	*1%*	10,601	*1%*
Provisions for other liabilities and charges	1,892	*0%*	2,139	*0%*	1,351	*0%*
Total equity and liabilities	**1,116,141**	***100%***	**1,059,128**	***100%***	**1,052,486**	***100%***

Source: Condensed Consolidated Interim Financial Statements, Company

2.2.9. Cash flows

The Group generated positive cash flows from **operating activities** at PLN 43.8 million in the first three months of 2014 compared to PLN 101.1 million in the first three months of 2013. The higher cash flows from operating activities in Q1 2013 were mainly driven by changes in the working capital of the Group including the payment of amounts due under public levies.

The cash flows from **investing activities** were negative at PLN 14.1 million in the first three months of 2014, mainly driven by WSE's acquisition of the second tranche of shares of Aquis Exchange Ltd for PLN 15.2 million (GBP 3.0 million). The cash flows from investing activities were negative at PLN 60.4 million in Q1 2013 and were mainly driven by WSE's capital expenditure for the acquisition of the new trading system UTP.

The cash flows from **financing activities** were low in the first three months of 2014 and 2013 at negative PLN 0.2 million and PLN 0.01 million, respectively.

Consolidated cash flows of WSE Group in Q1 2013 and Q1 2014

PLN'000	**Cash flows for the three-month period ended 31 March**	
	2014	**2013**
Cash flows from operating activities	43,790	101,133
Cash flows from investing activities	(14,076)	(60,408)
Cash flows from financing activities	(182)	(13)
Net increase / (decrease) in cash and cash equivalents	**29,532**	**40,712**
Impact of change of fx rates on cash balances in foreign currencies	*247*	*498*
Cash and cash equivalents - opening balance	**436,831**	**378,883**
Cash and cash equivalents - closing balance	**466,610**	**420,093**

Source: Condensed Consolidated Interim Financial Statements

2.2.10. Capital expenditure

The Group's total capital expenditure for property, plant and equipment and intangible assets amounted to PLN 1.0 million in Q1 2014 compared to PLN 63.3 million in Q1 2013. The expenditure for property, plant and equipment was PLN 0.9 million and the expenditure for intangible assets was PLN 0.1 million in Q1 2014 compared to PLN 0.7 million and 62.7 million, respectively, in Q1 2013.

The Group's biggest capital expenditure for property, plant and equipment in Q1 2014 was the capital expenditure of the PolPX Group for the development and modernisation of the IT infrastructure. The Group's capital expenditure for property, plant and equipment and intangible assets in Q1 2013 included mainly the expenditure for the implementation of the trading system UTP.

The value of (contracted) future investment commitments of WSE was PLN 10.8 million as at 31 March 2014.

2.2.11. Seasonality and cyclicality of operations

Share prices and the value of trading are significantly influenced by local, regional and global trends impacting the capital markets, which determines the number and size of new issues of financial instruments and the activity of investors on WSE. As a result, the revenue of the Group is cyclical.

Trading in certificates of origin on PolPX is subject to some seasonality. The volume of trade in property rights on the property rights market operated by PolPX is largely determined by the obligation imposed on energy companies which sell electricity to final consumers and have to cancel, by 31 March of each year, a certain quantity of certificates of origin from the previous year. The percentage of certificates of origin which must be cancelled is fixed for every year in regulations of the Minister of the Economy.

The issuance of certificates of origin also intensifies in Q1 and in Q4 of the year, when certificates of origin are issued for electricity produced at the end of the previous year. Certificates of origin are subject to mandatory cancellation within time limits set by the Energy Regulatory Office.

Trading in energy on the Commodity Derivatives Market operated by PolPX is not distributed evenly over the year. It is seasonal in that trading is relatively low in the first half of the year compared to the second half of the year. This is because the supply side awaiting information about the costs of electricity generation (including the cost of fuel) in the first half of the year. The demand side, in turn, needs time to determine its demand for the next year based on the demand of its clients

2.2.12. Key factors impacting results in the horizon of at least one quarter

POTENTIAL CO-OPERATION WITH THE EXCHANGE GROUP CEESEG

WSE is currently working to assess the feasibility of co-operation with the exchange group CEESEG. No decision concerning co-operation with CEESEG was made by the date of publication of this report.

EXTENDED SUPPORT FOR COGENERATION

The President of Poland signed into law an act extending support for cogeneration on 7 April 2014. The act of 14 March 2014 extends until 30 June 2019 the support system for the production of power and heat in all types of high-efficiency cogeneration including gas-fired units and units with a total installed electric capacity under 1 MW fired with methane or gas from biomass processing as well as other cogeneration units.

The entry into force of the new act may have a positive impact on the value of trading on the market in property rights in certificates of origin of electricity, higher fees charged for the operation of the register of certificates of origin of electricity and fees for clearing of transactions in cogeneration certificates, and consequently on the revenue of the PolPX Group in the coming quarters.

SELECTION OF TBSP AS THE ELECTRONIC MARKET IN TREASURY SECURITIES FOR ANOTHER TWO YEARS

On 30 January 2014, following the procedure of selection of the electronic market in Treasury securities, Treasury BondSpot Poland was once again nominated by Treasury Securities Dealers as the preferred market for the next two years, i.e., from 1 October 2014 to 30 September 2016. The decision is important to further development of the TBSP market.

CAPITAL EXPENDITURE FOR THE IMPLEMENTATION OF UTP-DERIVATIVES

The implementation of a UTP derivatives trading module (UTP-Derivatives) depends, among others, on the outcome of talks concerning co-operation with CEESEG.

INTRODUCTION OF AN OBLIGATION ON THE GAS MARKET

New regulations effective as of September 2013 require companies which trade in gas to sell at least 30% of the volume supplied to the industrial grid on an exchange. The amendment of the energy law by the “small energy legislation tri-pack” imposes the obligation to sell a proportion of gas on the exchange, equal to 40% until the end of 2014 and 55% as of 2015. The coming into force of this obligation may have a positive impact on the value of trading on the gas market and, consequently, the revenue of PolPX in subsequent quarters.

PENSION FUND REFORM

Open-ended pension funds have played an important role in the development of the capital market and the market of Treasury and non-Treasury bonds in Poland. Major modifications to the pension fund system may have a significant effect on future financial results of the WSE Group.

ACQUISITION OF SHARES OF AQUIS EXCHANGE LTD.

Under an agreement of 19 August 2013, WSE took up 384,025 new issue shares of Aquis Exchange Ltd. with its registered office in the UK. At the date of preparation of this Report, WSE holds 39.06% of shares giving 32.61% of rights attached to the shares of Aquis Exchange Ltd. The total price of the acquisition of Aquis Exchange by WSE was GBP 5.0 million. The goal of the investment is to increase the diversification of the WSE Group's revenue sources and to strengthen WSE's brand and role on the international financial markets.

2.2.13. Other material information

FEASIBILITY OF PREVIOUSLY PUBLISHED FORECASTS

The Group did not publish any forecasts of 2014 results.

INFORMATION ABOUT ISSUE AND REDEMPTION OF NON-EQUITY AND EQUITY SECURITIES

On 23 December 2011, WSE issued 1,700,000 Series A bearer bonds with a total nominal value of PLN 170 million. On 15 February 2012, WSE issued 750,000 Series B bearer bonds with a total nominal value of PLN 75 million. The value of the Series B bond offering was PLN 75,682,500. The date of both bond series redemption is set on 2 January 2017. The bonds bear interest at a floating rate equal to WIBOR 6M +1.17%, interest is paid semi-annually. The current interest rate for the semi-annual interest period ending on 30 June 2014 is 3.89%.

EVENTS AFTER THE BALANCE-SHEET DATE WHICH COULD SIGNIFICANTLY IMPACT THE FUTURE FINANCIAL RESULTS OF THE ISSUER

There were no other events after the balance-sheet date which could significantly impact the future financial results of the issuer.

The parent entity paid no dividend in the first three months of 2014.

On 16 April 2014, the Exchange Supervisory Board issued a positive opinion on the proposal of the Exchange Management Board concerning distribution of the WSE profit for 2013 which provides for payment of dividend at PLN 50,366.4 thousand (PLN 1.20 per share) equal to 49.68% of the net profit of the Company for the financial year 2013. At the same time, in line with WSE's dividend policy, this represents 49.96% of the consolidated net profit of the WSE Group for the financial year 2013 attributable to the shareholders of the Company adjusted for the share of profit of associates.

Pursuant to Resolution No. 17/2014 of the Ordinary General Meeting of Centrum Giełdowe S.A. dated 3 April 2014 concerning the distribution of profit for 2013, PLN, 1,737.2 thousand was allocated for dividend. The share of WSE in the dividend will be PLN 430.6 thousand. The dividend will be paid on 30 April 2014.

Pursuant to Resolution No. 4/I/14 of the Ordinary General Meeting of BondSpot S.A. dated 10 April 2014 concerning the distribution of profit for 2013, PLN 3 million was allocated for dividend. The share of WSE in the dividend will be PLN 2,789 thousand. The dividend will be paid on 16 May 2014.

On 18 April 2014, the Extraordinary General Meeting of WSE Commodities S.A. decided to increase the capital of WSE Commodities by means of shares issue, raising the capital from PLN 100 thousand to PLN 300 thousand. Shares were taken up by WSE on 24 April 2014.

CONTINGENT LIABILITIES AND INVESTMENT COMMITMENTS

On 18 February 2014, the Regional Administrative Court in Warsaw gave a decision in case no. III Sa/Wa 1230/13 whereby it dismissed a complaint of the Warsaw Commodity Clearing House ("WCCH") against an individual interpretation given by the Director of the Tax Chamber in Warsaw. In its decision, the Court confirmed the position of the Ministry of Finance presented in the interpretation whereby WCCH is not legally allowed to use an exemption for its services, i.e., clearing and settlement of forward transactions in electricity, within the meaning of the Value Added Tax Act ("VAT Act"). In the light of the interpretation and the oral and written justification presented by the Court, such services should be classified as technical services and, consequently, taxed at the basic VAT rate (currently 23%).

In view of the foregoing, WCCH will file a cassation complaint with the Supreme Court of Administration within the time limit required under procedural law. In the opinion of the WCCH Management Board, the decision does not address the merits of WCCH's complaint and is based on an erroneous interpretation of facts. The position of WCCH is also underpinned by the long-time practice of the Tax Chamber which has applied a VAT exemption with respect to the services outlined in the complaint. In its cassation complaint, in addition to the aforementioned arguments, WCCH intends to file a request for a prejudicial question to be asked by the national court (Supreme Court of Administration) of the Court of Justice of the European Union ("CJEU").

As at the date of preparation of the Condensed Consolidated Interim Financial Statements, the WCCH Management Board did not make any adjustments to WCCH's VAT balances. However, if the decision of the Regional Administrative Court is upheld by the bench of the Supreme Court of Administration, WCCH would be required to pay interest on overdue VAT payments, estimated at PLN 1,112 thousand as at 31 March 2014 (interest estimated at PLN 877 thousand as at 31 December 2013). At the same time, WCCH would adjust VAT invoices issued to its members for transactions concluded as of 1 January 2011, i.e., the effective date of the regulations under which the individual interpretation was issued, pursuant to § 56(2) of the WCCH Rules.

PENDING LITIGATION

According to the Company's best knowledge, there is no litigation pending against the parent entity or other companies of the Group before a court, an arbitration body or a public administration body concerning liabilities or debt with a value of at least 10% of the Company's equity.

RELATED PARTY TRANSACTIONS

In Q1 2014, WSE and the associates of WSE did not make any significant transactions on terms other than market terms.

In March 2014, WSE granted a short-term loan of PLN 380 thousand to the subsidiary WSEInfoEngine S.A. The purpose of the loan is to finance the company's current business. The interest on the loan is 7.0% p.a. The loan was granted for a term of one month. The parties to the agreement extended the term of the loan for the next period.

GUARANTIES AND SURETIES GRANTED

On 1 April 2014, WSE and the Polish Power Grid Company signed a surety agreement concerning due performance of the obligations of the subsidiary WSEInfoEngine S.A. under electricity purchase and sale contracts concluded on the balancing market. The liability of WSE as surety provider is limited to no more than PLN 1.0 million.

The Group granted and accepted no other guarantees and sureties in Q1 2014.

OTHER MATERIAL INFORMATION

In the opinion of the Company, in the first three months of 2014, there were no significant events or circumstances, other than those presented in this quarterly Report, which would be material to an evaluation of the Company's or the Group's position with regard to its human resources, assets, financial standing, financial results and capacity to meet obligations.

WSE Governing Bodies shall be elected for the a new tenure in Q2 2014.

3. Quarterly financial information of the Warsaw Stock Exchange for Q1 2014

This quarterly financial information of the Warsaw Stock Exchange has been prepared in accordance with the accounting policy principles binding for the Condensed Consolidated Interim Financial Statements for the three-month period ended 31 March 2014. The estimates did not change substantially in the three-month period ended 31 March 2014, including adjustments of provisions, deferred tax provisions and deferred tax assets mentioned in the IFRS, and there were no significant asset revaluation write-offs. In the period under review, the Company and its subsidiaries did not make one or more significant transactions with related parties on terms other than market terms, and neither did they grant loan sureties apart from sureties and loan described at paragraph 2.2.13.

Separate statement of comprehensive income
for the three-month period ended 31 March 2014 (PLN'000)

	Three-month period ended 31.03.2014	Three-month period ended 31.03.2013
Revenues	**53,282**	**49,684**
Operating expenses	32,173	28,225
Other income	37	195
Other expenses	370	677
Operating profit	**20,775**	**20,977**
Financial income	1,712	2,779
Financial expenses	2,465	3,329
Profit before income tax	**20,022**	**20,428**
Income tax expense	3,857	2,089
Profit for the period	**16,165**	**18,339**
Other comprehensive income:		
Income to be reclassified as gains or losses	(27)	3,069
Net change of fair value of available-for-sale financial assets	(68)	(60)
Effective portion of change of fair value of cash flow hedges	41	3,129
Other comprehensive income after tax	**(27)**	**3,069**
Total comprehensive income	**16,139**	**21,408**
Basic / Diluted earnings per share (PLN)	**0.39**	**0.44**

Source: Company

Separate statement of financial position as at 31 March 2014 (PLN'000)

ASSETS	31.03.2014	31.12.2013	31.03.2013
Non-current assets	**506,860**	**496,790**	**506,997**
Property, plant and equipment	109,318	112,279	127,343
Intangible assets	92,808	95,439	96,846
Investments in associates and subsidiaries	291,014	265,107	262,149
Deferred tax assets	-	-	6,311
Available-for-sale financial assets	10,775	20,955	11,141
Prepayments	2,945	3,010	3,208
Current assets	**250,843**	**225,645**	**181,207**
Inventory	142	166	266
Income tax receivable	5,766	10,496	2,511
Trade and other receivables	34,298	23,940	31,833
Available-for-sale financial assets	272	118	272
Other short-term financial assets	381	-	-
Cash and cash equivalents	209,984	190,925	146,325
TOTAL ASSETS	**757,704**	**722,435**	**688,204**

EQUITY AND LIABILITIES			
Equity	**472,622**	**456,483**	**406,289**
Share capital	63,865	63,865	63,865
Other reserves	(15)	12	126
Retained earnings	408,772	392,606	342,298
Non-current liabilities	**249,135**	**249,904**	**247,429**
Employee benefits payable	4,309	4,313	4,158
Liabilities under bond issue	243,733	243,617	243,272
Deferred tax liability	1,094	1,974	-
Current liabilities	**35,947**	**16,048**	**34,486**
Trade payables	3,138	3,184	1,861
Liabilities under bond issue	2,336	-	3,214
Employee benefits payable	24,358	3,894	21,270
Provisions for other liabilities and payments	6,114	8,970	8,141
TOTAL EQUITY AND LIABILITIES	**757,704**	**722,435**	**688,204**

Source: Company

Separate cash flow statement
for the three-month period ended 31 March 2014 (PLN'000)

		Three-month period ended 31.03.2014	Three-month period ended 31.03.2013
A	**Cash flows from operating activities**	**34,189**	**29,410**
	Cash generated from operating activities	34,189	36,077
	Income tax paid	-	(6,667)
		-	-
B	**Cash flows from investing activities**	**(15,377)**	**(61,148)**
	Purchase of property, plant and equipment	(365)	(574)
	Proceeds from sale of property, plant and equipment and intangible assets	15	124
	Purchase of intangible assets	(115)	(62,179)
	Acquisition of subsidiaries	(600)	-
	Acquisition of associates	(15,202)	-
	Loans granted	(381)	-
	Redemption of held-to-maturity Treasury bills	-	-
	Interest received	1,271	1,481
		-	-
	Dividends received	-	-
	Other	-	-
		-	-
C	**Cash flows from financing activities**	**-**	**-**
	Dividends paid	-	-
	Interest paid	-	-
	Proceeds from bonds issue	-	-
D	**Net (decrease) / increase in cash and cash equivalents**	**18,812**	**(31,738)**
	Impact of change of fx rates on cash balances in foreign currencies	*247*	*498*
	Cash and cash equivalents - opening balance	**190,925**	**177,565**
	Cash and cash equivalents - closing balance	**209,984**	**146,325**

Source: Company

Separate statement of changes in equity for the three-month period ended 31 March 2014 (PLN'000)

	Attributable to the shareholders of the parent entity			Total equity
	Share capital	Other reserves	Retained earnings	
As at 31 December 2012	**63,865**	**(2,943)**	**323,959**	**384,881**
Dividends	-	-	-	-
Net profit for the three-month period ended 31 March 2013	-	-	18,339	18,339
Income to be reclassified as gains or losses	-	3,069	-	3,069
Net change of fair value of available-for-sale financial assets	-	(60)	-	(60)
Effective portion of change of fair value of cash flow hedges	-	3,129	-	3,129
Total comprehensive income for the three-month period ended 31 March 2013	**-**	**3,069**	**18,339**	**21,408**
As at 31 March 2013	**63,865**	**126**	**342,298**	**406,289**
As at 31 December 2012	**63,865**	**(2,943)**	**323,959**	**384,881**
Dividends	-	-	(32,738)	(32,738)
Net profit for the year ended 31 December 2013	-	-	101,385	101,385
Income to be reclassified as gains or losses	-	2,955	-	2,955
Net change of fair value of available-for-sale financial assets	-	(166)	-	(166)
Effective portion of change of fair value of cash flow hedges	-	3,121	-	3,121
Total comprehensive income for the year ended 31 December 2013	**-**	**2,955**	**101,385**	**104,340**
As at 31 December 2013	**63,865**	**12**	**392,606**	**456,483**
As at 31 December 2013	**63,865**	**12**	**392,606**	**456,483**
Dividends	-	-	-	-
Net profit for the three-month period ended 31 March 2014	-	-	16,165	16,165
Income to be reclassified as gains or losses	-	(27)	-	(27)
Net change of fair value of available-for-sale financial assets	-	(68)	-	(68)
Effective portion of change of fair value of cash flow hedges	-	41	-	41
Total comprehensive income for the three-month period ended 31 March 2014	**-**	**(27)**	**16,165**	**16,139**
As at 31 March 2014	**63,865**	**(15)**	**408,772**	**472,622**

Source: Company

4. Appendices

Condensed Consolidated Interim Financial Statements for the three-month period ended 31 March 2014 and the auditor's review report

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This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.

INDEPENDENT AUDITORS' REPORT ON REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2014 TO 31 MARCH 2014

To the Shareholders of Giełda Papierów Wartościowych w Warszawie S.A.

Introduction

We have reviewed the accompanying 31 March 2014 condensed consolidated interim financial statements of Grupa Kapitałowa Giełda Papierów Wartościowych w Warszawie S.A., with its parent company's registered office in Warsaw, ul. Książęca 4 ("condensed consolidated interim financial statements"), which comprise:

- the consolidated statement of financial position as at 31 March 2014,
- the consolidated statement of comprehensive income for the three-month period ended 31 March 2014,
- the consolidated statement of changes in equity for the three- month period ended 31 March 2014,
- the consolidated statement of cash flows for the three-month period ended 31 March 2014, and
- notes to the condensed consolidated interim financial statements.

Management of the Parent Entity is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with the IAS 34 *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the National Standard on Auditing no. 3 *General principles of review of the financial statements/condensed financial statements and conducting of other assurance services* issued by the National Council of Certified Auditors and the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with national standards on auditing and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2014 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
registration number 3546
ul. Chłodna 51, 00-867 Warsaw

Signed on the Polish original

....
Bogdan Dębicki
Key Certified Auditor
Registration No.796
Member of the Management Board of
KPMG Audyt Sp. z o.o.
General Partner of KPMG Audyt Spółka
z ograniczoną odpowiedzialnością sp. k.

Signed on the Polish original

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Certified Auditor
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25 April 2014

Condensed Consolidated Interim Financial Statements of the Giełda Papierów Wartościowych w Warszawie S.A. Group for the Three-month Period Ended 31 March 2014

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(all amounts in PLN'000 unless indicated otherwise)

Consolidated Statement of Financial Position

	Note	As at 31 March 2014 (unaudited)	As at 31 December 2013
Non-current assets		**590 634**	**576 421**
Property, plant and equipment	3	121 045	124 042
Intangible assets	4	265 932	269 155
Investment in associates	5	187 811	158 540
Deferred tax assets	10	1 568	-
Available-for-sale financial assets	6	10 775	20 955
Prepayments		3 503	3 729
Current assets		**525 507**	**482 707**
Inventories		142	166
Corporate income tax receivable		6 138	10 797
Trade and other receivables		52 345	34 792
Available-for-sale financial assets	6	272	118
Other current financial assets		-	3
Cash and cash equivalents	8	466 610	436 831
including Guarantee Funds		*107 996*	*125 326*
TOTAL ASSETS		**1 116 141**	**1 059 128**
Equity		**675 692**	**638 105**
Equity of the shareholders of the parent entity		**674 550**	**636 985**
Share capital		63 865	63 865
Other reserves		1 249	1 278
Retained earnings		609 436	571 842
Non-controlling interests		**1 142**	**1 120**
Non-current liabilities		**249 563**	**249 578**
Employee benefits payable	7	4 452	4 456
Finance lease liabilities		284	439
Liabilities on bonds issue	9	243 733	243 617
Deferred tax liability	10	1 094	1 066
Current liabilities		**190 886**	**171 445**
Trade payables		3 763	12 738
Finance lease liabilities		338	365
Corporate income tax payable		1 990	657
Liabilities on bonds issue	9	2 336	-
Dividends and other liabilities		171 327	144 035
including Guarantee Funds		*107 996*	*125 333*
Employee benefits payable	7	9 240	11 511
Provisions for other liabilities and charges	7	1 892	2 139
TOTAL EQUITY AND LIABILITIES		**1 116 141**	**1 059 128**

The attached Notes are an integral part of these Condensed Consolidated Interim Financial Statements.

(all amounts in PLN'000 unless indicated otherwise)

Consolidated Statement of Comprehensive Income

	Note	Three-month period ended 31 March	
		2014 (unaudited)	**2013 (unaudited)**
Revenue	15	86 507	79 358
Operating expenses		(43 937)	(36 845)
Other income		221	1 266
Other expenses		(905)	(729)
Operating profit		**41 886**	**43 051**
Financial income		2 558	4 225
Financial expenses		(2 522)	(3 344)
Share of profit of associates		3 966	4 649
Profit before income tax		**45 888**	**48 581**
Income tax expense	10	(8 272)	(6 520)
Net profit for the period		**37 616**	**42 061**
Other comprehensive income:			
Income to be reclassified as gains or losses		(29)	2 806
Net change of fair value of available-for-sale financial assets		*(68)*	*(60)*
Effective portion of change of fair value of cash flow hedges		*41*	*3 129*
Gains/(losses) from the valuation of available-for-sale financial assets of the associate		*(2)*	*(263)*
Other comprehensive income after tax		**(29)**	**2 806**
Total comprehensive income		**37 587**	**44 867**
Net profit for the period		**37 616**	**42 061**
Net profit for the period attributable to the shareholders of the parent entity		37 594	41 967
Net profit for the period attributable to the non-controlling interests		22	94
Total comprehensive income:		**37 587**	**44 867**
Total comprehensive income for the period attributable to the shareholders of the parent entity		37 565	44 773
Total comprehensive income for the period attributable to the non-controlling interests		22	94
Basic/diluted earnings per share (in PLN)		**0,90**	**1,00**

The attached Notes are an integral part of these Condensed Consolidated Interim Financial Statements.

(all amounts in PLN'000 unless indicated otherwise)

Consolidated Statement of Cash Flows

	Note	Three-month period ended 31 March	
		2014 (unaudited)	**2013 (unaudited)**
Cash flows from operating activities:		**43 790**	**101 133**
Cash generated from operation		47 603	113 253
Net profit of the period		37 616	42 061
Adjustments:		9 987	71 192
Income tax	10	8 272	6 520
Depreciation of property, plant and equipment		3 829	2 525
Amortisation of intangible assets		3 354	1 151
(Profit) / Loss on fx differences		(262)	(540)
(Profit) / Loss on sale of property, plant and equipment and intangible assets		(14)	(60)
Financial (income) / expense of available-for-sale financial assets		(148)	(186)
Income from interest on deposits		(2 075)	(2 758)
Interest and premium on issued bonds		2 451	3 166
Share of profit (loss) of associates		(3 966)	(4 649)
Net change of provisions for other liabilities and charges		(247)	15
Other		40	6 929
Change in current assets and liabilities:		(1 247)	59 079
(Increase) / Decrease of inventories		*24*	*(13)*
(Increase) / Decrease of trade and other receivables and prepayments		*(17 312)*	*12 936*
Increase / (Decrease) of trade and other payables		*18 316*	*48 120*
Increase / (Decrease) of employee benefits payable		*(2 275)*	*(1 964)*
Income tax expense		(3 813)	(12 120)

The attached Notes are an integral part of these Condensed Consolidated Interim Financial Statements.

(all amounts in PLN'000 unless indicated otherwise)

	Note	Three-month period ended 31 March	
		2014 (unaudited)	2013 (unaudited)
Cash flows from investing activities:		**(14 076)**	**(60 408)**
Purchase of property, plant and equipment		(841)	(670)
Purchase of intangible assets		(131)	(62 659)
Proceeds from sale of property, plant and equipment and intangible assets		23	163
Acquisition of shares of the associate	5	(15 202)	-
Interest received		2 075	2 758
Cash flows from financing activities:		**(182)**	**(13)**
Loans repayments		-	(13)
Financial leases repayments		(182)	-
Net increase in cash and cash equivalents		**29 532**	**40 712**
Impact of change of fx rates on cash balances in foreign currencies		**247**	**498**
Cash and cash equivalents - opening balance		**436 831**	**378 883**
Cash and cash equivalents - closing balance		**466 610**	**420 093**

The attached Notes are an integral part of these Condensed Consolidated Interim Financial Statements.

(all amounts in PLN'000 unless indicated otherwise)

Consolidated Statement of Changes in Equity

	Attributable to the shareholders of the parent entity				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total		
As at 31 December 2012	**63 865**	**(1 000)**	**491 647**	**554 512**	**1 377**	**555 889**
Net profit for the three-month period ended 31 March 2013	-	-	*41 967*	***41 967***	*94*	***42 061***
Income to be reclassified as gains or losses	-	*2 806*	-	***2 806***	-	***2 806***
Net change of fair value of available-for-sale financial assets	-	*(60)*	-	***(60)***	-	***(60)***
Effective portion of change of fair value of cash flow hedges	-	*3 129*	-	***3 129***	-	***3 129***
Revaluation of available-for-sale financial assets of an associate	-	*(263)*	-	***(263)***	-	***(263)***
Total comprehensive income for the three-month period ended 31 March 2013	**-**	**2 806**	**41 967**	**44 773**	**94**	**44 867**
As at 31 March 2013 *(unaudited)*	**63 865**	**1 806**	**533 614**	**599 285**	**1 471**	**600 756**
As at 31 December 2013	**63 865**	**1 278**	**571 842**	**636 985**	**1 120**	**638 105**
Net profit for the three-month period ended 31 March 2014	-	-	*37 594*	***37 594***	*22*	***37 616***
Income to be reclassified as gains or losses	-	*(29)*	-	***(29)***	-	***(29)***
Net change of fair value of available-for-sale financial assets	-	*(68)*		***(68)***		***(68)***
Effective portion of change of fair value of cash flow hedges	-	*41*		***41***	-	***41***
Revaluation of available-for-sale financial assets of an associate	-	*(2)*		***(2)***	-	***(2)***
Total comprehensive income for the three-month period ended 31 March 2014	**-**	**(29)**	**37 594**	**37 565**	**22**	**37 587**
As at 31 March 2014 *(unaudited)*	**63 865**	**1 249**	**609 436**	**674 550**	**1 142**	**675 692**

The attached Notes are an integral part of these Condensed Consolidated Interim Financial Statements.

Notes to the Condensed Consolidated Interim Financial Statements

1. General

1.1. Inception and scope of operation of the entity

The parent entity of the Giełda Papierów Wartościowych w Warszawie S.A. Group ("the Group") is Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna ("Warsaw Stock Exchange", "the Exchange", "WSE" or "the Company") with its registered office in Warsaw, ul. Książęca 4. The Company was established by Notarial Deed on 12 April 1991 and registered with the Commercial Court in Warsaw on 25 April 1991, KRS no. 0000082312, NIP no. 526-025-09-72, Regon no. 012021984. WSE has been listed on the WSE Main Market since 9 November 2010.

The core activities of the Group include organising exchange trading in financial instruments and activities related to such trading. At the same time, the Exchange pursues activities in education, promotion and information concerning the capital market and organises an alternative trading system. The Group is active on the following markets:

- **WSE Main Market** (trade in equities, other equity-related financial instruments and other cash markets instruments as well as derivatives);
- **NewConnect** (trade in equities and other equity-related financial instruments of small and medium-sized enterprises);
- **Catalyst** (trade in corporate, municipal, co-operative, Treasury and mortgage bonds operated by WSE and BondSpot);
- **Treasury BondSpot Poland** (wholesale trade in Treasury bonds operated by BondSpot).

Since Q1 2012, the Group also organises and operates trade on the markets operated by Towarowa Giełda Energii S.A. ("the Polish Power Exchange", "PolPX") on the following markets:

- **Energy Markets** (Intra-Day Market, Day-Ahead Market, Commodity Forward Instruments Market, Electricity Auctions);
- **Gas Market** (trade in natural gas with physical delivery on the Intra-Day Market and the Commodity Derivatives Market);
- **Property Rights Market** (trade in property rights in certificates of origin of electricity),
- **CO2 Emission Allowances Market** (trade in CO2 emission allowances).

In Q4 2013, WSEInfoEngine S.A., a subsidiary of WSE, opened InfoEngineOTC, an OTC commodity trade platform. Commodity trading (in the first phase, trading in electricity and certificates of origin) is supported by the electronic ask and bid matching system GlobalVision developed by Trayport, a special electronic platform.

WSE is also present in Ukraine through the Warsaw Stock Exchange Representation Office and in London through an appointed permanent representative of WSE whose mission is to support acquisition on the London market, in particular the acquisition of new investors and Exchange Members.

1.2. Approval of the financial statements

These Condensed Consolidated Interim Financial Statements were approved for publication by the Management Board of the parent entity on 25 April 2014.

1.3. Composition and activity of the Group

The Warsaw Stock Exchange and its subsidiaries:

- Towarowa Giełda Energii S.A. Group (Polish Power Exchange Group),
- BondSpot S.A.,
- WSEInfoEngine S.A.,
- Instytut Rynku Kapitałowego – WSE Research S.A.,
- WSE Commodities Sp. z o.o.

comprise the Warsaw Stock Exchange Group.

The following are the associates over which the Group exerts significant influence: Centrum Giełdowe S.A., KDPW S.A. Group, Aquis Exchange Limited.

As a result of WSE taking up the second tranche of shares of Aquis Exchange Limited in February 2014, the company became WSE's associate (Note 5). There were no other changes to the composition of the WSE Group compared to 31 December 2013.

2. Basis of preparation of the financial statements and summary of significant accounting policies

These Condensed Consolidated Interim Financial Statements of the Warsaw Stock Exchange Group have been prepared according to the International Accounting Standard 34 "Interim Financial Reporting" approved by the European Union.

These Condensed Consolidated Interim Financial Statements have been prepared on the assumption that the Group will continue as a going concern in the foreseeable future. As at the date of preparation of these Condensed Consolidated Interim Financial Statements, in the opinion of the Management Board of the parent entity, there are no circumstances indicating any threats to the Group's ability to continue operations.

The Company has prepared the Condensed Consolidated Interim Financial Statements in accordance with the same accounting policies as those described in the Consolidated Financial Statements as at 31 December 2013 other than for changes described below. The Condensed Consolidated Interim Financial Statements as at 31 March 2014 should be read in conjunction with the audited Consolidated Financial Statements as at 31 December 2013.

The following amendments to existing standards and new standards adopted by the European Union are effective for the Group's financial statements for the financial year starting on 1 January 2014:

1) IFRS 10 Consolidated Financial Statements,

2) IFRS 11 Joint Arrangements,

3) IFRS 12 Disclosure of Interests in Other Entities,

4) IAS 27 (2011) Separate Financial Statements,

5) IAS 28 (2011) Investments in Associates and Joint Ventures,

6) Amendments to IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities,

7) Amendments to IFRS 10, IFRS 11 and IFRS 12: Consolidated Financial Statements, Joint Arrangements, Disclosure of Interests in Other Entities,

8) Amendments to IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting,

9) Amendments to IAS 36 Impairment of Assets – Recoverable Amount Disclosures for Non-financial Assets.

The Group's application of the new IFRS 12 as of 1 January 2014 will increase the number of required disclosures of interest in other entities to be presented in the Consolidated Financial Statements for 2014.

The Group does not expect that the other amendments will have a significant impact on the Condensed Consolidated Interim Financial Statements.

The critical accounting estimates and judgements used by the Management Board of the parent entity in the application of the Group's accounting policy and the key sources of uncertainty were the same as those used in the Consolidated Financial Statements as at 31 December 2013.

3. Property, plant and equipment

The Group purchased property, plant and equipment at PLN 841 thousand in the period from 1 January to 31 March 2014 (PLN 670 thousand in the period from 1 January to 31 March 2013).

The Group sold property, plant and equipment at PLN 9 thousand in the period from 1 January to 31 March 2014 (PLN 77 thousand in the period from 1 January to 31 March 2013).

The Group did not liquidate property, plant and equipment in the period from 1 January to 31 March 2014 and in the period from 1 January to 31 March 2013.

There were no contracted investment commitments for property, plant and equipment as at 31 March 2014 and as at 31 December 2013.

4. Intangible assets

The Group purchased intangible assets at PLN 131 thousand in the period from 1 January to 31 March 2014 (PLN 62,659 thousand in the period from 1 January to 31 March 2013).

The Group did not sell intangible assets in the period from 1 January to 31 March 2014 and in the period from 1 January to 31 March 2013.

The Group did not liquidate intangible assets in the period from 1 January to 31 March 2014 (the Group liquidated intangible assets at PLN 28 thousand in the period from 1 January to 31 March 2013).

Contracted investment commitments for intangible assets stood at PLN 10,760 thousand as at 31 March 2014 including: the UTP-Derivatives and CRM systems of WSE, the billing system of BondSpot S.A. (PLN 10,500 thousand as at 31 December 2013 including: the UTP-Derivatives system of WSE).

5. Investment in associates

On 19 August 2013, the WSE Management Board signed an agreement with Aquis Exchange Limited concerning acquisition of new issue shares of Aquis Exchange Limited. Aquis Exchange is registered in the UK. It was established in 2012 and offers a pan-European market in equities as a multilateral trading facility.

The price of the first subscription for 153,609 shares in August 2013 was PLN 10,105 thousand (GBP 2 million). On 12 February 2014, WSE was authorised by UK's Financial Conduct Authority (FCA) to increase its stake in Aquis Exchange Limited to between 30% and 50% of shares or votes. On 18 February 2014, WSE was notified by Aquis Exchange Limited of the allocation of 230,416 shares of Aquis Exchange Limited to WSE for a price of PLN 15,202 thousand (GBP 3 million).

Following WSE's taking up the second tranche of shares of Aquis Exchange Limited, the company became an associate.

As at 31 March 2014, the Company holds 384,025 ordinary shares of Aquis Exchange Limited acquired for PLN 25,307 thousand (GBP 5 million), representing 39.06% of shares and giving 32.61% of economic and voting rights in Aquis Exchange Limited. The shares of Aquis Exchange Limited as an associate of the WSE Group are recognised using equity accounting as at 31 March 2014 (PLN 24,406 thousand as at 31 March 2014).

(all amounts in PLN'000 unless indicated otherwise)

The loss of Aquis Exchange Limited was PLN 2,762 thousand in the period from 18 February 2014 to 31 March 2014. The share of WSE in the loss of the associate Aquis Exchange Limited was PLN 901 thousand as at 31 March 2014.

6. Available-for-sale financial assets

The table below presents changes in available-for-sale financial assets in the first three months of 2014 and in all of 2013.

	Period	
	3 months ended 31 March 2014 (unaudited)	12 months ended 31 December 2013
Opening balance	**21 073**	**11 301**
Additions (purchase of shares, Treasury bonds and bills and valuation of discount, premium and interests)	148	10 081
Reclassification from portfolio of available-for-sale financial assets*	(10 105)	-
Change in fair value - recognised in total comprehensive income	(69)	(309)
- shares	*15*	*(103)*
- Treasury bonds and bills	*(84)*	*(206)*
Closing balance	**11 047**	**21 073**
Long-term	*10 775*	*20 955*
Short-term	*272*	*118*

** Reclassification of Aquis Exchange Limited to investment in associates*

Goodwill hierarchy

WSE classifies the valuation of goodwill on the basis of a goodwill hierarchy which reflects the significance of valuation input data. The goodwill hierarchy includes the following levels:

- (unadjusted) trading prices on active markets for identical assets or liabilities (**level 1**);
- input data other than trading prices at level 1, which can be identified or observed for an asset or liability, directly (as prices) or indirectly (calculations based on prices) (**level 2**); and
- input data for an asset or liability not based on observable market data (non-observable data) (**level 3**).

The table below shows the valuation of available-for-sale financial assets of WSE, as at 31 March 2014, based on input data classified as level 1 in the goodwill hierarchy.

In the absence of valuation at fair value, the shares of Innex are shown at cost less impairment losses as at 31 March 2014 and as at 31 December 2013 (PLN 0 as at 31 March 2014 and PLN 0 as at 31 December 2013).

	As at 31 March 2014 (unaudited)					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total (Level 1-3)
Treasury bonds	10 802	10 802	10 802	-	-	**10 802**
Equity financial assets	245	245	245	-	-	**245**
Sibex	*245*	*245*	*245*	-	-	***245***
Total	**11 047**	**11 047**	**11 047**	-	-	**11 047**

	As at 31 December 2013					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total (Level 1-3)
Treasury bonds	10 738	10 738	10 738	-	-	**10 738**
Equity financial assets	230	230	230	-	-	**230**
Sibex	*230*	*230*	*230*	-	-	***230***
Total	**10 968**	**10 968**	**10 968**	-	-	**10 968**

(all amounts in PLN'000 unless indicated otherwise)

7. Provisions and valuation allowances

In the period from 1 January 2014 to 31 March 2014, asset revaluation balances were adjusted as follows:

- debt written down: an increase of PLN 333 thousand (provisions set up at PLN 501 thousand, provisions released at PLN 168 thousand).

Furthermore, in the period from 1 January 2014 to 31 March 2014, provision estimates were adjusted as follows:

- litigation and other provisions were reduced by PLN 247 thousand: provisions used at PLN 284 thousand, provisions set up at PLN 37 thousand;
- employee benefits provisions were reduced by PLN 2,275 thousand: provisions used at PLN 5,022 thousand, provisions released at PLN 99 thousand, provisions set up at PLN 2,846 thousand.

8. Cash and cash equivalents

Cash and cash equivalents include the following:

	As at	
	31 March 2014 (unaudited)	**31 December 2013**
Cash	16	15
Current accounts	2 053	4 031
Bank deposits of the WCCH guarantee fund	107 996	125 326
Other bank deposits	356 545	307 459
Total cash and cash equivalents	**466 610**	**436 831**

WCCH maintains guarantee funds securing the execution of transactions on the energy market in accordance with Article 68d of the Act on trading in financial instruments of 29 July 2005. Cash in the funds is shown in the statement of financial position under *Cash and cash equivalents* and stood at PLN 107,996 thousand as at 31 March 2014, PLN 125,326 thousand as at 31 December 2013 and PLN 144,120 thousand as at 31 March 2013. Deposited cash is shown in the statement of financial position as a double entry under *Dividends and other liabilities* as liabilities of the guarantee fund in the amount equal to the deposits.

Making contributions to guarantee funds

There are currently two guarantee funds: the fund for the energy forward market (RTEE) and the fund for the gas forward market (RTG). Liabilities of WCCH clearing members to the guarantee funds are updated on the first business day of the month based on margins as at the last day of the previous month and a multiplier set for each month in a resolution of the Management Board. Contributions are adjusted after three business days of the contribution update. Contributions are paid in and out through separate bank accounts for the RTEE and the RTG markets, maintained by Bank BOŚ S.A., operated by four authorised employees of WCCH. Each transfer order must be authorised by two of the proxies.

Managing the resources of the guarantee funds

The resources of a fund are managed by an Investment Committee which has four members pursuant to the WCCH Rules. The resources of the guarantee funds are placed as term deposits with banks holding a rating of at least BBB (Fitch). No more than 30% of the value of a fund may be placed with one bank. According to the WCCH Rules, the resources of the guarantee funds may only be used for the settlement of liabilities of a clearing member after using all resources contributed by the member in the clearing guarantee system, i.e., maintenance margins, transaction margins and delivery margins.

(all amounts in PLN'000 unless indicated otherwise)

9. Financial liabilities

On 5 December 2011, the WSE Management Board adopted Resolution No. 1473/2011 concerning an issue of series A and B bearer bonds. The goal of the issue was to finance WSE's projects including institutional consolidation of the exchange commodity market and expansion of the list of products available to investors on the market, as well as technology projects on the financial markets and the commodity market.

The issue of series A bonds with a nominal value of PLN 170,000,000 addressed only to qualified investors took place on 23 December 2011.

Series B bonds with a nominal value of PLN 75,000,000 were offered in a public offering on 10 February 2012. The series B bonds were issued on 15 February 2012.

The series A and B bonds have been introduced to trading on the Catalyst market operated by WSE and Bondspot, which offers trade in corporate, municipal, co-operative, Treasury and mortgage bonds. The nominal value of the bonds was PLN 100 per bond. The WSE bonds are unsecured bonds at a floating interest rate. The interest rate is fixed within each interest period at WIBOR 6M plus a margin of 117 basis points.

The maturity of the series A and B bonds is 2 January 2017.

No bonds were redeemed in Q1 2014. Liabilities under the bond issue stood at PLN 246,069 thousand as at 31 March 2014 including short-term liabilities at PLN 2,336 thousand (liabilities under the bond issue stood at PLN 243,617 thousand as at 31 March 2013 including no short-term liabilities).

10. Income tax

The table below presents income tax by current and deferred tax.

	Three-month period ended 31 March	
	2014 (unaudited)	**2013 (unaudited)**
Current income tax	9 806	11 181
Deferred tax	(1 534)	(4 661)
Total income tax	**8 272**	**6 520**

As required by the Polish tax regulations, the tax rate applicable in 2014 and 2013 is 19%. The reconciliation of the theoretical amount of tax arising from profit before tax and the statutory tax rate with the income tax expense shown in the statement of comprehensive income is as follows:

	Three-month period ended 31 March	
	2014 (unaudited)	**2013 (unaudited)**
Profit before income tax	**45 888**	**48 581**
Income tax rate	19%	19%
Income tax at the statutory tax rate	**8 719**	**9 230**
Tax effect:		
Non-deductible costs	121	(35)
Non-taxable income	-	(194)
Other adjustments	186	(1 600)
Non-taxable share of profit of associates	(754)	(882)
Total income tax	**8 272**	**6 520**

(all amounts in PLN'000 unless indicated otherwise)

11. Contingent liabilities

On 18 February 2014, the Regional Administrative Court in Warsaw gave a decision in case no. III Sa/Wa 1230/13 whereby it dismissed a complaint of the Warsaw Commodity Clearing House ("WCCH") against an individual interpretation given by the Director of the Tax Chamber in Warsaw. In its decision, the Court confirmed the position of the Ministry of Finance presented in the interpretation whereby WCCH is not legally allowed to use an exemption for its services, i.e., clearing and settlement of forward transactions in electricity, within the meaning of the Value Added Tax Act ("VAT Act"). In the light of the interpretation and the oral and written justification presented by the Court, such services should be classified as technical services and, consequently, taxed at the basic VAT rate (currently 23%).

In view of the foregoing, WCCH will file a cassation complaint with the Supreme Court of Administration within the time limit required under procedural law. In the opinion of the WCCH Management Board, the decision does not address the merits of WCCH's complaint and is based on an erroneous interpretation of facts. The position of WCCH is also underpinned by the long-time practice of the Tax Chamber which has applied a VAT exemption with respect to the services outlined in the complaint. In its cassation complaint, in addition to the aforementioned arguments, WCCH intends to file a request for a prejudicial question to be asked by the national court (Supreme Court of Administration) of the Court of Justice of the European Union ("CJEU").

As at the date of preparation of these Condensed Consolidated Interim Financial Statements, the WCCH Management Board did not make any adjustments to WCCH's VAT balances. However, if the decision of the Regional Administrative Court is upheld by the bench of the Supreme Court of Administration, WCCH would be required to pay interest on overdue VAT payments, estimated at PLN 1,112 thousand as at 31 March 2014 (interest estimated at PLN 877 thousand as at 31 December 2013). At the same time, WCCH would adjust VAT invoices issued to its members for transactions concluded as of 1 January 2011, i.e., the effective date of the regulations under which the individual interpretation was issued, pursuant to § 56(2) of the WCCH Rules.

12. Related party transactions

Related parties of the Group include its associates (KDPW S.A. Group, Centrum Giełdowe S.A., Aquis Exchange Limited) and the State Treasury as the parent entity (holding 35.00% of the share capital and 51.74% of the total number of voting rights as at 31 March 2014), entities controlled and jointly controlled by the State Treasury and entities over which the State Treasury has significant influence. Furthermore, related parties include the key management personnel of the Group (Members of the Management Board of the parent entity).

12.1. Information on remuneration and benefits of the key management personnel

The management personnel of the Group is the Management Board of the parent entity. Remuneration and benefits paid or due to the key management personnel on the Management Board of WSE are as follows:

	Three-month period ended 31 March	
	2014 (unaudited)	**2013 (unaudited)**
Remuneration	1 411	975
Bonus - long-term liability	-	111
Other benefits	205	340
Other payments after employment period (non-competition)	-	1 773
Total remuneration and benefits of the key management personnel	**1 616**	**3 199**

The remuneration system for the members of the Exchange Management Board is defined in the employment contracts (as amended). It consists of a fixed part (base pay) and a variable part (incentive system, i.e., bonus) as well as additional benefits. The bonus depends on the degree of performance of a number of business targets (concerning the development of the capital market) and financial targets. The maximum amount of bonus available within the year is defined in the remuneration rules. As part of the maximum bonus, the Exchange Supervisory Board may grant a discretionary bonus to Exchange Management Board members, which is not directly linked to the business and financial indicators. It is awarded on the basis of an assessment of performance of individual annual tasks.

(all amounts in PLN'000 unless indicated otherwise)

12.2. Information about transactions with companies which are related parties of the State Treasury

In these Condensed Consolidated Interim Financial Statements, the Management Board of WSE has disclosed material transactions with entities related to the State Treasury, identified by the Management Board on the basis of the list of companies in which the State Treasury has interest as at 31 December 2013 published by the Ministry of the State Treasury.

Related parties identified by the Management Board of WSE include mainly companies listed on WSE (issuers of securities), Exchange Members and Polish Power Exchange Members. The Group charges fees to related parties listed on WSE including fees for admission to exchange trading, fees for introduction to exchange trading and fees for listing of financial instruments. Fees charged to related parties which are Exchange Members include fees for enabling the conclusion of transactions on the exchange market, fees for access to WSE's IT systems and fees for trading in financial instruments.

All the transactions with entities related to the State Treasury are concluded in the normal course of business and are carried out on an arm's length basis.

	As at 31 March 2014		Three-month period ended 31 March 2014 (unaudited)	
	Receivables	Liabilities	Sales revenue	Operating expenses
Enea S.A.	867	-	1 999	-
PGE Górnictwo i Energetyka Konwencjonalna S.A.	338	6	956	17
PGE Polska Grupa Energetyczna S.A.	1 668	-	4 042	-
Powszechna Kasa Oszczędności Bank Polski S.A.	1 167	-	3 351	9
TAURON Polska Energia S.A.	1 878	-	3 824	-
Other	139	42	711	175
Total	**6 057**	**48**	**14 883**	**201**

	As at 31 December 2013		Three-month period ended 31 March 2013 (unaudited)	
	Receivables	Liabilities	Sales revenue	Operating expenses
Enea S.A.	466	-	981	-
PGE Górnictwo i Energetyka Konwencjonalna S.A.	432	6	1 996	15
PGE Polska Grupa Energetyczna S.A.	1 630	-	4 077	-
Powszechna Kasa Oszczędności Bank Polski S.A.	1 037	3	2 812	-
TAURON Polska Energia S.A.	458	-	2 504	-
Other	631	27	957	-
Total	**4 654**	**36**	**13 327**	**15**

In accordance with the Polish law, companies of the Group are subject to tax obligations. Hence, the Group pays tax to the State Treasury, which is its related party. The principles and regulations binding upon companies of the Group in this regard are the same as those binding upon other entities which are not related parties.

(all amounts in PLN'000 unless indicated otherwise)

In accordance with the Decree of the Minister of Finance of 16 March 2010 concerning fees paid to the Polish Financial Supervision Authority ("PFSA") by supervised entities which pursue activities on the capital market, the parent entity incurs costs of fees paid to the State Treasury in the amount set by the Polish Financial Supervision Authority. The parent entity contributes monthly prepayments for fees due to PFSA for supervision over the capital market. PFSA makes final yearly settlements of the fees by 10 February of the following year. Fees prepaid by the WSE Group to PFSA amounted to PLN 5,409 thousand in the first three months of 2014, of which WSE paid PLN 5,210 thousand, compared to PLN 4,521 thousand in the first three months of 2013, of which WSE paid PLN 4,356 thousand.

12.3. Transactions with associates

The tables below present the transactions of the Group with the associates of WSE in the three-month periods ended 31 March 2014 and 31 March 2013 and the balance of receivables and liabilities as at 31 March 2014 and 31 December 2013.

	As at 31 March 2014		Three-month period ended 31 March 2014 (unaudited)	
	Receivables	**Liabilities**	**Sales revenue**	**Operating expenses**
KDPW Group	-	-	5	2
Centrum Giełdowe S.A.	-	36	-	306
Total	**-**	**36**	**5**	**308**

	As at 31 December 2013		Three-month period ended 31 March 2013 (unaudited)	
	Receivables	**Liabilities**	**Sales revenue**	**Operating expenses**
KDPW Group	57	2	14	4
Centrum Giełdowe S.A.	-	45	-	308
Total	**57**	**47**	**14**	**312**

Receivables from associates were not written off or materially provided for in the first three months of 2014 and 2013.

As owner and lessee of office space in the Centrum Giełdowe building, WSE pays rent and operating expenses for joint property to the building manager, Centrum Giełdowe S.A.

In 2014, WSE made transactions with the housing community Wspólnota Mieszkaniowa "Książęca 4", of which it is a member. The cost was PLN 776 thousand in the first three months of 2013 and PLN 792 thousand in the first three months of 2013.

13. Dividend

13.1 Dividend paid

The parent entity paid no dividend in the first three months of 2014.

On 16 April 2014, the Exchange Supervisory Board issued a positive opinion on the proposal of the Exchange Management Board concerning distribution of the WSE profit for 2013 which provides for payment of dividend at PLN 50,366.4 thousand (PLN 1.20 per share) equal to 49.68% of the net profit of the Company for the financial year 2013. At the same time, in line with WSE's dividend policy, this represents 49.96% of the consolidated net profit of the WSE Group for the financial year 2013 attributable to the shareholders of the Company adjusted for the share of profit of associates.

Pursuant to Resolution No. 4 of the Ordinary General Meeting dated 21 June 2013, the parent entity allocated PLN 32,738 thousand of the 2012 profit for dividend. The dividend was paid on 26 July 2013. The dividend was PLN 0.78 per share.

14. Seasonality

The activity of the Group shows no significant seasonality other than the revenue from the Commodity Market which shows seasonality in the first quarter of the year (the revenue of the first quarter is higher than the revenue of the other quarters of the year).

15. Segment reporting

These Condensed Consolidated Interim Financial Statements disclose information on segments based on components of the entity which are monitored by managers to make operating decisions. Operating segments are components of the entity for which discrete financial information is available and whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess the Group's performance.

For management purposes, the Group is divided into segments based on the type of services provided.
Three main reporting segments are used as follows:

1) *Financial Market* segment, which covers the activity of the Group including organising trade in financial instruments on the exchange as well as related activities. The Group also engages in capital market education, promotion and information activities and organises an alternative trading system.

The Financial Market includes three subsegments:

- Trading (mainly trading fees which depend on turnover on the exchange, fees for access to exchange systems);
- Listing (annual securities listing fees and one-off fees for admission or introduction of securities to trading on the exchange);
- Information services (mainly revenue from information services for data vendors, historical data).

2) *Commodity Market* segment, which covers the activity of the Group including organising trade in commodities as well as related activities. The Group provides clearing and settlement on the commodity market through the company WCCH and operates the Register of Certificates of Origin of electricity through the company PolPX. The WSE Group also earns revenues from the activity of a trade operator on the electricity market.
The Commodity Market includes the following subsegments:

- Trading (mainly revenue from spot and forward transactions in electricity, fees from spot and forward transactions in natural gas);
- Operation of the Register of Certificates of Origin of electricity (revenue from trade in property rights in certificates of origin of electricity);

- CO_2 Allowances Market (trade in property rights in certificates of origin of electricity);
- Clearing (revenue from other fees paid by market participants (members)).

3) The segment *Other* includes activities of the Group in education and professional training of human resources for the financial market, PR services and capital market research programmes.

The segment Other provides the following:

- Specialised training and profiled programmes (revenues from fees for rights including licences and certificates);
- Capital Market Academy (revenues from organisation of courses, seminars, workshops, e-learning and video-learning modules);
- IR/PR services (including organisation of General Meetings, interpretation, online broadcasts and video productions through the online multimedia platform WSE Media).

The accounting policies for the operating segments are the same as the accounting policies of the WSE Group other than as described below.

Segment data for management purposes are consolidated on a pro forma basis. The Management Board monitors separately the operating results of the segments to make decisions about resources to be allocated and assess the results of their allocation and performance. Each segment is assessed up to the level of net profit or loss.

Transaction prices of transactions between the operating segments are set at arm's length, as for transactions with non-related parties.

Exclusions include consolidation exclusions.

The Group's business segments focus their activities on the territory of Poland.

(all amounts in PLN'000 unless indicated otherwise)

The tables below present a reconciliation of the data analysed by the Management Board of the parent entity with the data shown in these Condensed Consolidated Interim Financial Statements.

Information on operating segments in the three-month period ended 31 March 2014.

	Three-month period ended 31 March 2014 (unaudited)				
	Financial Market[1)]	**Commodity Market[2)]**	**Other[3)]**	**Exclusions and adjustments**	**Total WSE Group[4)]**
Sales revenues (external transactions)	**56 375**	**30 142**	**371**	**(381)**	**86 507**
Financial market	**56 002**	-	-	**(50)**	**55 952**
Trading	39 775	-	-	-	39 775
Equities and equity-related instruments	29 772	-	-		29 772
Derivative instruments	5 515	-	-		5 515
Other fees paid by market participants	1 435	-	-		1 435
Debt instruments	2 985	-	-		2 985
Other cash instruments	68	-	-		68
Listing	6 336	-	-	-	6 336
Listing fees	4 870	-	-		4 870
Introduction and admission fees, other fees	1 466	-	-		1 466
Information services	9 891	-	-	(50)	9 841
Real-time information	9 321	-	-	(24)	9 297
Historical and statistical information and indices	570	-	-	(26)	544
Commodity market	-	**30 066**	-	-	**30 066**
Trading	-	16 140	-	-	16 140
Electricity	-	3 170	-	-	3 170
Spot	-	*651*	-		*651*
Forward	-	*2 519*	-		*2 519*
Gas	-	53	-	-	53
Spot	-	*7*	-		*7*
Forward	-	*46*	-		*46*
Property rights in certificates of origin	-	10 203	-		10 203
Other fees paid by market participants	-	2 714	-		2 714
Register of certificates of origin	-	7 094	-		7 094
Clearing	-	6 832	-		6 832
Other revenue	**373**	**76**	**371**	**(331)**	**489**
Operating expenses	(34 462)	(9 405)	(451)	381	(43 937)
including depreciation and amortisation	*(6 196)*	*(966)*	*(21)*		*(7 183)*
Profit on sales	**21 913**	**20 737**	**(80)**	-	**42 570**

(all amounts in PLN'000 unless indicated otherwise)

Information on operating segments in the three-month period ended 31 March 2014 – continued:

	Three-month period ended 31 March 2014 (unaudited)				
	Financial Market[1)]	**Commodity Market[2)]**	**Other[3)]**	**Exclusions and adjustments**	**Total WSE Group[4)]**
Profit / (Loss) on other operations	(337)	(347)	-		(684)
Operating profit	**21 576**	**20 390**	**(80)**	**-**	**41 886**
Profit / (Loss) on financial operations	(680)	716	-		36
including interest income	*1 370*	*705*	-	-	*2 075*
including interest cost	*(2 451)*	-	-		*(2 451)*
Share of profit (loss) of associates	-	-	-	3 966	3 966
Profit before income tax	**20 896**	**21 106**	**(80)**	**3 966**	**45 888**
Income tax	(4 077)	(4 195)	-	-	(8 272)
Net profit	**16 819**	**16 911**	**(80)**	**3 966**	**37 616**

1) Includes WSE and BondSpot
2) Includes PolPX Group, WSE IE and WSE Commodities
3) Includes IRK
4) According to the presentation in the Consolidated Statement of Comprehensive Income.

	Financial Market[1)]	**Commodity Market[2)]**	**Other[3)]**	**Exclusions and adjustments**	**Total WSE Group[4)]**
As at 31 March 2014 (unaudited)					
Total assets	777 225	271 759	687	66 470	1 116 141
Total liabilities	288 377	152 471	234	(633)	440 450
Net assets (assets less liabilities)	**488 847**	**119 288**	**453**	**67 103**	**675 692**

1) Includes WSE and BondSpot
2) Includes PolPX Group, WSE IE and WSE Commodities
3) Includes IRK
4) According to the presentation in the Consolidated Statement of Comprehensive Income.

(all amounts in PLN'000 unless indicated otherwise)

Information on operating segments in the three-month period ended 31 March 2013.

	Three-month period ended 31 March 2013 (unaudited)				
	Financial Market[1)]	**Commodity Market[2)]**	**Other[3)]**	**Exclusions and adjustments**	**Total WSE Group[4)]**
Sales revenues (external transactions)	**52 981**	**26 472**	**81**	**(176)**	**79 358**
Financial market	**52 531**	**-**	**-**	**(12)**	**52 519**
Trading	38 182	-	-	-	38 182
Equities and equity-related instruments	27 843	-	-	-	27 843
Derivative instruments	5 343	-	-	-	5 343
Other fees paid by market participants	1 517	-	-	-	1 517
Debt instruments	3 437	-	-	-	3 437
Other cash instruments	43	-	-	-	43
Listing	5 737	-	-	-	5 737
Listing fees	4 330	-	-	-	4 330
Introduction and admission fees, other fees	1 408	-	-	-	1 408
Information services	8 611	-	-	(12)	8 599
Real-time information	8 178	-	-	(6)	8 172
Historical and statistical information and indices	434	-	-	(6)	428
Commodity market	**-**	**26 130**	**-**	**-**	**26 130**
Trading	-	11 888	-	-	11 888
Electricity	-	3 075	-	-	3 075
Spot	-	*881*	-	-	*881*
Forward	-	*2 194*	-	-	*2 194*
Gas	-	7	-	-	7
Spot	-	*3*	-	-	*3*
Forward	-	*4*	-	-	*4*
Property rights in certificates of origin	-	7 170	-	-	7 170
Other fees paid by market participants	-	1 636	-	-	1 636
Register of certificates of origin	-	7 897	-	-	7 897
Clearing	-	6 345	-	-	6 345
Other revenue	**450**	**342**	**81**	**(164)**	**709**
Operating expenses	(30 061)	(6 877)	(101)	195	(36 845)
including depreciation and amortisation	*(3 011)*	*(660)*	*(5)*	-	*(3 676)*
Profit on sales	**22 920**	**19 595**	**(20)**	**19**	**42 513**

(all amounts in PLN'000 unless indicated otherwise)

Information on operating segments in the three-month period ended 31 March 2013 – continued:

	Three-month period ended 31 March 2013 (unaudited)				
	Financial Market[1]	**Commodity Market[2]**	**Other[3]**	**Exclusions and adjustments**	**Total WSE Group[4]**
Profit / (Loss) on other operations	(482)	1 019	-	0	537
Operating profit	**22 438**	**20 614**	**(20)**	**19**	**43 051**
Profit / (Loss) on financial operations	(327)	1 735	1	(528)	881
including interest income	*1 677*	*1 080*	*1*	-	*2 758*
including interest cost	*(3 281)*	-	-	-	*(3 281)*
Share of profit (loss) of associates	-	-	-	4 649	4 649
Profit before income tax	**22 111**	**22 349**	**(19)**	**4 140**	**48 581**
Income tax	(2 413)	(4 107)	-		(6 520)
Net profit	**19 698**	**18 242**	**(19)**	**4 140**	**42 061**

1) Includes WSE and BondSpot. Excludes poee WSE Energy Market for Q1 2013 moved to the Commodity Market segment. Trade on poee WSE Energy Market was discontinued on 31 March 2013 as commodity trade was concentrated on PolPX.

2) Includes PolPX Group, WSE IE, WSE Commodities as well as poee WSE Energy Market in Q1 2013

3) Includes IRK

4) According to the presentation in the Consolidated Statement of Comprehensive Income.

	Financial Market[1]	**Commodity Market[2]**	**Other[3]**	**Exclusions and adjustments**	**Total WSE Group[4]**
As at 31 March 2013: *(unaudited)*					
Total assets	709 568	279 781	100	63 037	1 052 486
Total liabilities	284 277	167 544	67	(158)	451 730
Net assets (assets less liabilities)	**425 291**	**112 237**	**33**	**63 195**	**600 756**

1) Includes WSE and BondSpot. Excludes poee WSE Energy Market for Q1 2013 moved to the Commodity Market segment. Trade on poee WSE Energy Market was discontinued on 31 March 2013 as commodity trade was concentrated on PolPX.

2) Includes PolPX Group, WSE IE, WSE Commodities as well as poee WSE Energy Market in Q1 2013

3) Includes IRK

4) According to the presentation in the Consolidated Statement of Comprehensive Income.

16. Events after the balance sheet date

There were no significant events after the balance sheet date of 31 March 2014 which could impact the Condensed Consolidated Interim Financial Statements of the WSE Group for the three-month period ended 31 March 2014.

On 1 April 2014, WSE and the Polish Power Grid Company signed a surety agreement concerning due performance of the obligations of the subsidiary WSEInfoengine S.A. under electricity purchase and sale contracts concluded on the balancing market. The liability of WSE as surety provider is limited to no more than PLN 1.0 million.

Pursuant to Resolution No. 17/2014 of the Ordinary General Meeting of Centrum Giełdowe S.A. dated 3 April 2014 concerning the distribution of profit for 2013, PLN 1,737.2 thousand was allocated for dividend. The share of WSE in the dividend will be PLN 430.6 thousand. The dividend will be paid on 30 April 2014.

Pursuant to Resolution No. 4/I/14 of the Ordinary General Meeting of BondSpot S.A. dated 10 April 2014 concerning the distribution of profit for 2013, PLN 3 million was allocated for dividend. The share of WSE in the dividend will be PLN 2,789 thousand. The dividend will be paid on 16 May 2014.

On 18 April 2014, the Extraordinary General Meeting of WSE Commodities S.A. decided to increase the capital of WSE Commodities. Shares were taken up by WSE on 24 April 2014, raising the capital from PLN 100 thousand to PLN 300 thousand.

The Condensed Consolidated Interim Financial Statements are presented by the Management Board of the Warsaw Stock Exchange:

Adam Maciejewski – President of the Management Board ……………………………………………..

Beata Jarosz – Vice-President of the Management Board ……………………………………………..

Paweł Graniewski – Vice-President of the Management Board ……………………………………………..

Mirosław Szczepański – Member of the Management Board ……………………………………………...

Dariusz Kułakowski – Member of the Management Board ……………………………………………...

Sylwia Sawicka – Chief Accountant ……………………………………………..

Warsaw, 25 April 2014