The Giełda Papierów Wartościowych w Warszawie S.A. Group

Semi-annual Report for H1 2016

Warsaw, 29 July 2016

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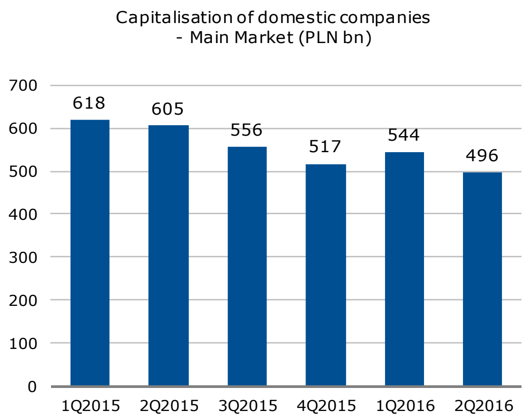
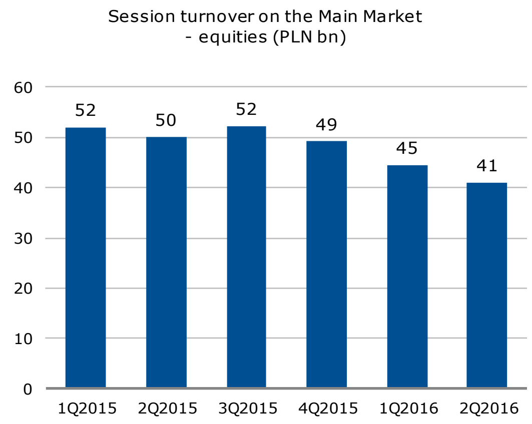
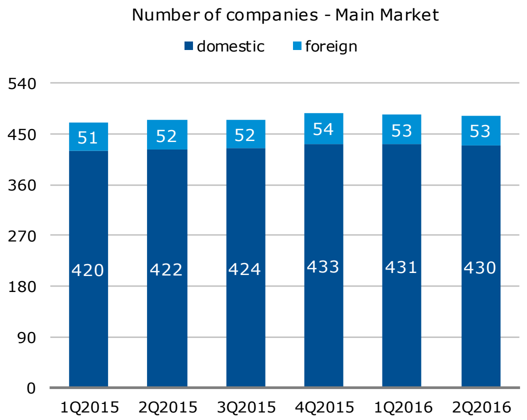
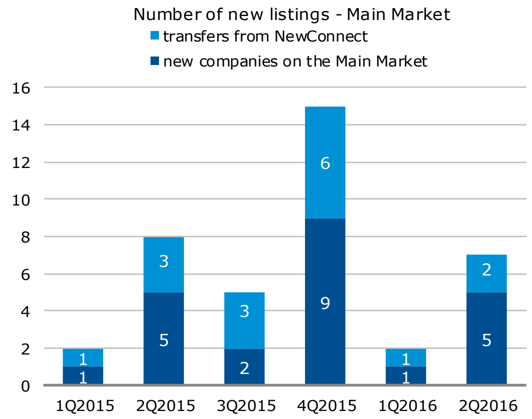
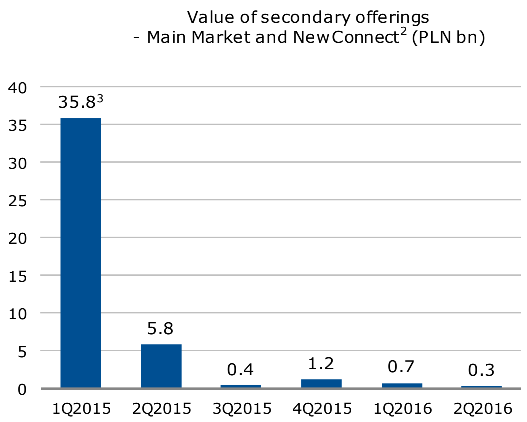
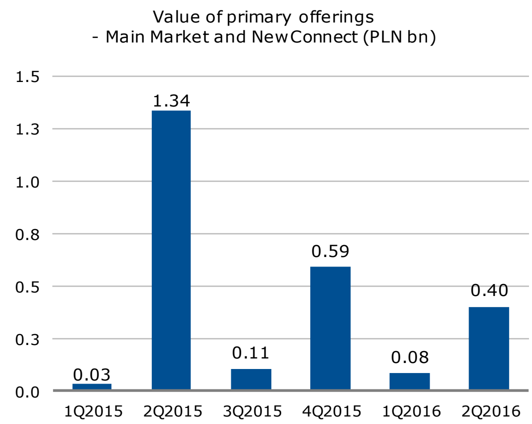




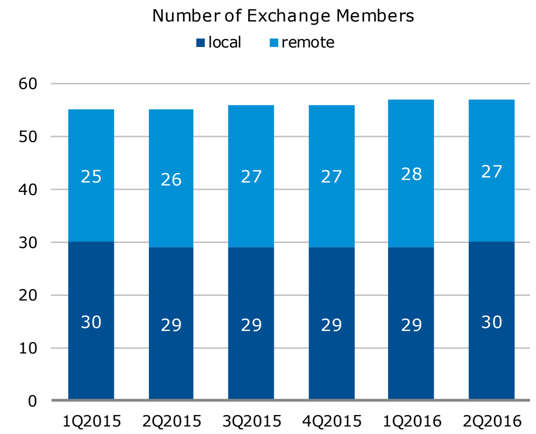


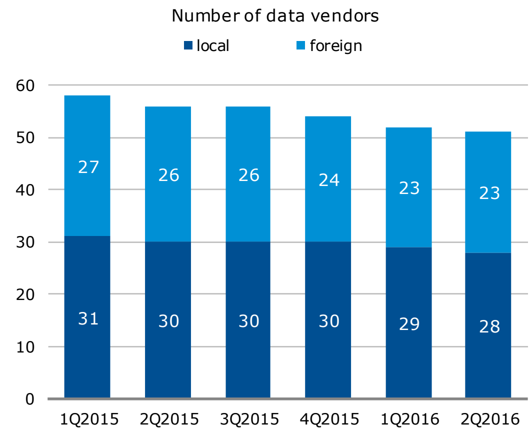


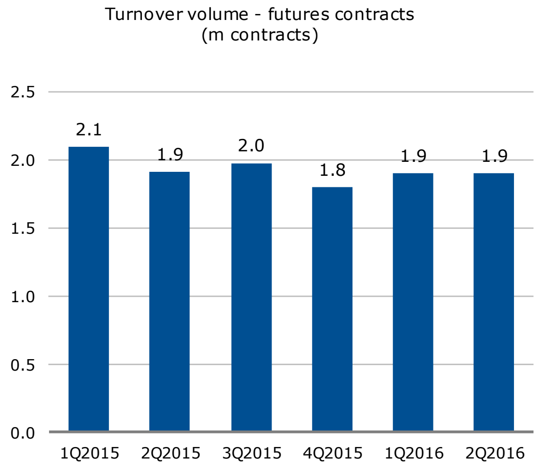


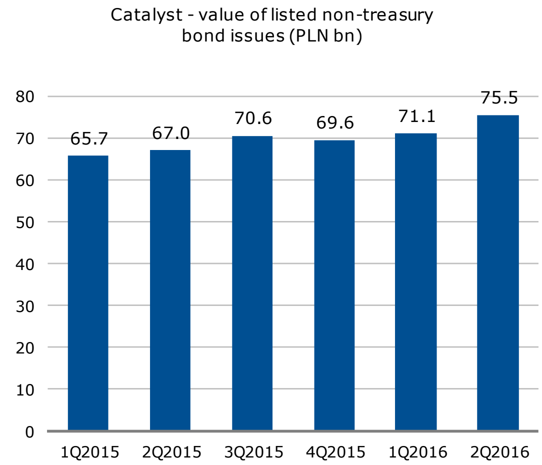


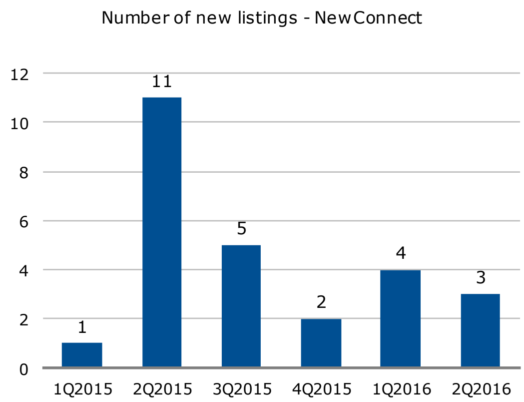
[1] All trading value and volume statistics presented in this Report are single-counted, unless indicated otherwise.
[2] including the value of dual-listed companies
[3] in 1Q 2015 there were two secondary offerings of Banco Santander with combined value of PLN 33 bn

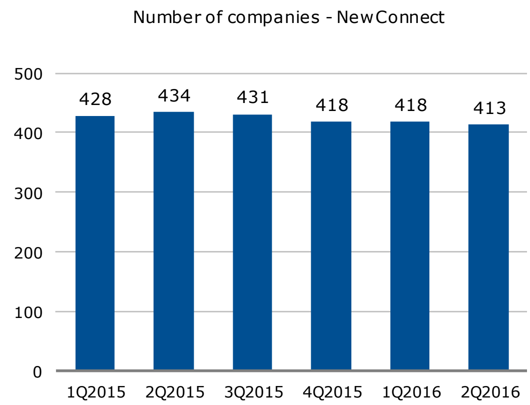

Number of Exchange Members
local
remote
60
50
40
30
20
10
0
25
26
27
27
28
27
30
29
29
29
29
30
1Q2015
2Q2015
3Q2015
4Q2015
1Q2016
2Q2016

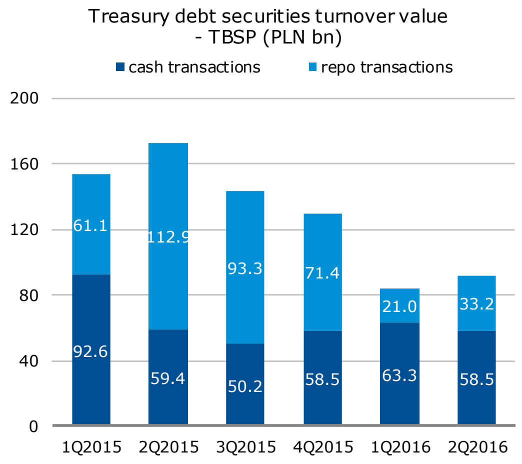

Number of data vendors
local
foreign
60
50
40
30
20
10
0
27
26
26
24
23
23
31
30
30
30
29
28
1Q2015
2Q2015
3Q2015
4Q2015
1Q2016
2Q2016

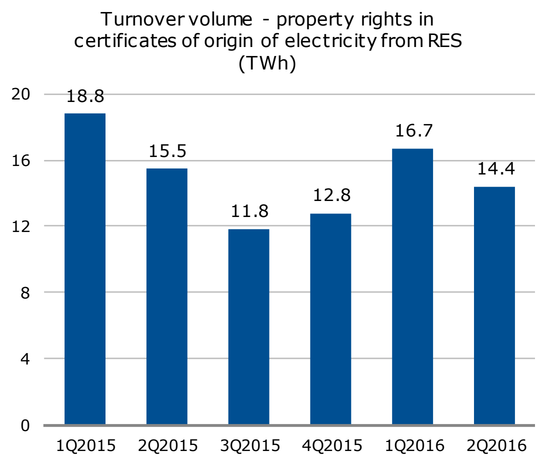

Turnover volume - futures contracts
(m contracts)
2.5
2.0
1.5
1.0
0.5
0.0
2.1
1.9
2.0
1.8
1.9
1.9
1Q2015
2Q2015
3Q2015
4Q2015
1Q2016
2Q2016

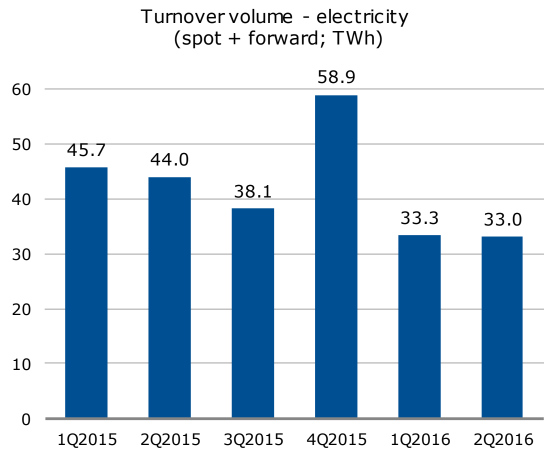

Catalyst - value of listed non-treasury
bond issues (PLN bn)
80
70
60
50
40
30
20
10
0
65.7
67.0
70.6
69.6
71.1
75.5
1Q2015
2Q2015
3Q2015
4Q2015
1Q2016
2Q2016

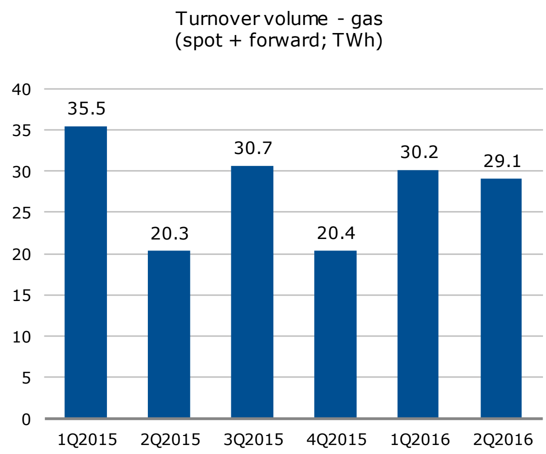

Number of new listings - NewConnect
12
10
8
6
4
2
0
1
11
5
2
4
3
1Q2015
2Q2015
3Q2015
4Q2015
1Q2016
2Q2016

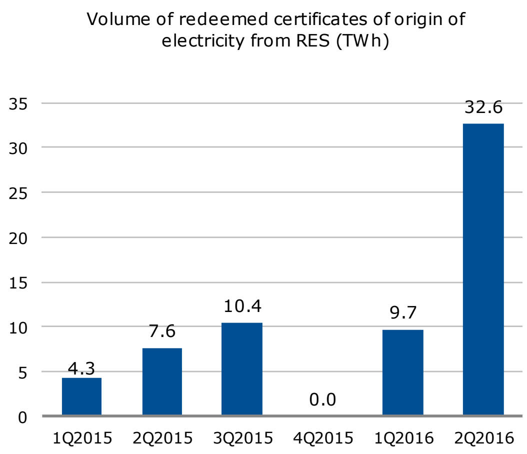

Number of companies - NewConnect
500
400
300
200
100
0
428
434
431
418
418
413
1Q2015
2Q2015
3Q2015
4Q2015
1Q2016
2Q2016

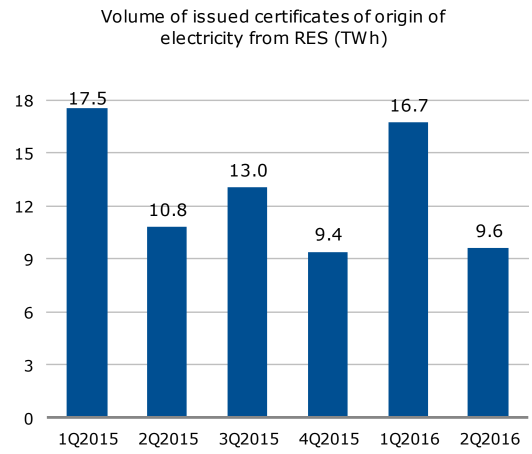

Treasury debt securities turnover value - TBSP (PLN bn)
cash transactions
repo transactions
200
160
120
80
40
0
61.1
112.9
93.3
71.4
21.0
33.2
92.6
59.4
50.2
58.5
63.3
58.5
1Q2015
2Q2015
3Q2015
4Q2015
1Q2016
2Q2016


Turnover volume - property rights in certificates of origin of electricity from RES (TWh)
20
16
12
8
4
0
18.8
15.5
11.8
12.8
16.7
14.4
1Q2015
2Q2015
3Q2015
4Q2015
1Q2016
2Q2016

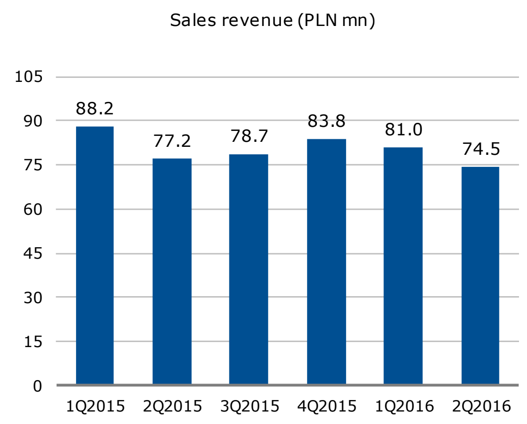

Turnover volume - electricity (spot + forward; TWh)
60
50
40
30
20
10
0
45.7
44.0
38.1
58.9
33.3
33.0
1Q2015
2Q2015
3Q2015
4Q2015
1Q2016
2Q2016

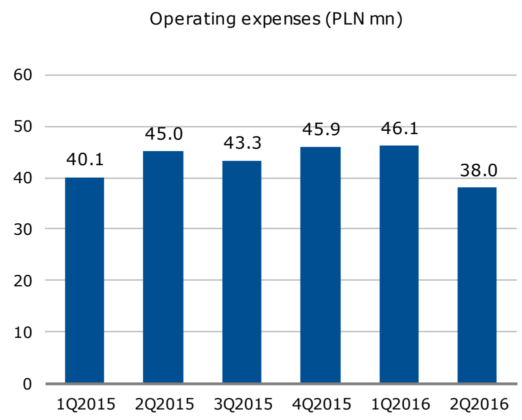

Turnover volume - gas (spot + forward; TWh)
40
35
30
25
20
15
10
5
0
35.5
20.3
30.7
20.4
30.2
29.1
1Q2015
2Q2015
3Q2015
4Q2015
1Q2016
2Q2016

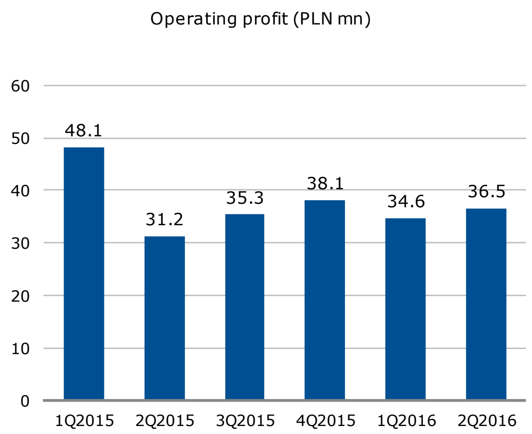

Volume of redeemed certificates of origin of electricity from RES (TWh)
35
30
25
20
15
10
5
0
4.3
7.6
10.4
0.0
9.7
32.6
1Q2015
2Q2015
3Q2015
4Q2015
1Q2016
2Q2016

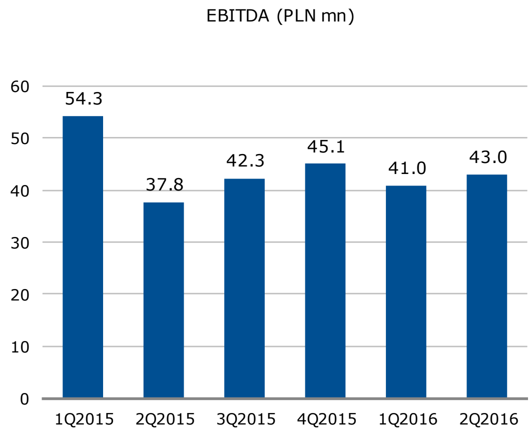

Volume of issued certificates of origin of electricity from RES (TWh)
18
15
12
9
6
3
0
17.5
10.8
13.0
9.4
16.7
9.6
1Q2015
2Q2015
3Q2015
4Q2015
1Q2016
2Q2016

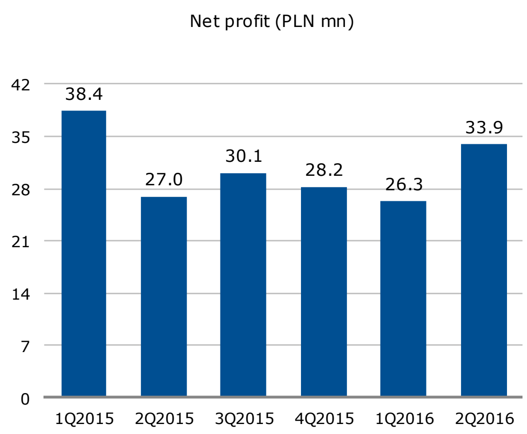
II. Selected financial data











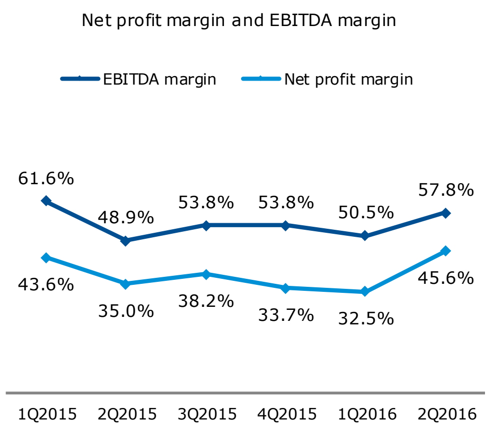


Table 1: Selected data in the consolidated statement of comprehensive income under IFRS, unaudited

	Six -month period ended 30 June			
	2016	2015	2016	2015
	PLN'000		*EUR'000* [1]	
Sales revenue	**155 492**	**165 338**	**35 612**	**39 918**
Financial market	**87 459**	**99 457**	**20 031**	**24 012**
Trading	54 891	67 514	12 572	16 300
Listing	12 000	12 774	2 748	3 084
Information services	20 568	19 169	4 711	4 628
Commodity market	**67 045**	**64 255**	**15 355**	**15 513**
Trading	30 756	32 152	7 044	7 762
Register of certificates of origin	15 751	13 113	3 607	3 166
Clearing	20 538	18 990	4 704	4 585
Other revenue	**988**	**1 626**	**226**	**393**
Operating expenses	**84 148**	**85 137**	**19 272**	**20 555**
Other income	344	859	79	207
Other expenses	610	1 798	140	434
Operating profit	**71 078**	**79 262**	**16 279**	**19 136**
Financial income	7 209	6 081	1 651	1 468
Financial expenses	4 097	4 678	938	1 129
Share of profit of associates	(14)	(124)	(3)	(30)
Profit before income tax	**74 176**	**80 541**	**16 988**	**19 445**
Income tax expense	13 898	15 166	3 183	3 662
Profit for the period	**60 278**	**65 375**	**13 805**	**15 783**
Basic / Diluted earnings per share[2] (PLN, EUR)	1,44	1,56	0,33	0,38
EBITDA[3]	**83 989**	**92 075**	**19 236**	**22 230**

[1] Based on the half-year average of EUR/PLN exchange rate published by the National Bank of Poland (1 EUR = 4.3663 PLN in H1 2016 and 1 EUR = 4.1420 PLN in H1 2015).

[2] Based on total net profit.

[3] EBITDA = operating profit + depreciation and amortisation.

Source: Condensed Consolidated Interim Financial Statements, Company

Table 2: Selected data in the consolidated statement of financial position under IFRS, unaudited

	As at			
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	w PLN'000		EUR'000 [1]	
Non-current assets	**579 574**	**580 645**	**130 962**	**136 254**
Property, plant and equipment	121 539	125 229	27 463	29 386
Intangible assets	258 057	261 728	58 311	61 417
Investment in associates	191 412	188 570	43 252	44 250
Available-for-sale financial assets	290	282	66	66
Non-current prepayments	8 276	4 836	1 870	1 135
Current assets	**542 795**	**442 170**	**122 652**	**103 759**
Trade and other receivables	40 730	81 273	9 204	19 072
Cash and cash equivalents	501 758	360 393	113 379	84 570
Other current assets	307	504	69	118
TOTAL ASSETS	**1 122 369**	**1 022 815**	**253 614**	**240 013**
Equity attributable to the shareholders of the parent entity	682 039	720 721	154 116	169 124
Non-controlling interests	497	546	112	128
Non-current liabilities	137 461	258 799	31 061	60 729
Current liabilities	302 372	42 749	68 325	10 032
TOTAL EQUITY AND LIABILITIES	**1 122 369**	**1 022 815**	**253 614**	**240 013**

[1] Based on the average EUR/PLN exchange rate of the National Bank of Poland as at 30.06.2016 (1 EUR = 4.4255 PLN) and 31.12.2015 (1 EUR = 4.2615 PLN).

Source: Condensed Consolidated Interim Financial Statements, Company

III. Information about the GPW Group

1. Information about the Group

1.1. Background information about the Group

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

The Warsaw Stock Exchange is a leading financial instruments exchange in Emerging Markets Europe (EME)[4] and Central and Eastern Europe (CEE)[5]. The markets operated by GPW list stocks and bonds of nearly a thousand local and international issuers. The Exchange also offers trade in derivatives and structured products, as well as information services. Its 25 years of experience, high safety of trading, operational excellence and a broad range of products make GPW one of the most recognised Polish financial institutions in the world.

The GPW Group conducts activity in the following segments:

- organising trade in financial instruments and conducting activities related to such trade;
- organising an alternative trading system;
- operating the wholesale Treasury bond market Treasury Bondspot Poland;
- operating a commodity exchange;
- operating an OTC commodity platform;
- operating a register of certificates of origin;
- providing the services of trade operator and entity responsible for balancing;
- operating a clearing house and settlement institution which performs the functions of an exchange clearing house for transactions in exchange commodities;
- conducting activities in capital market education, promotion and information as well as office space lease.

Basic information about the parent entity:

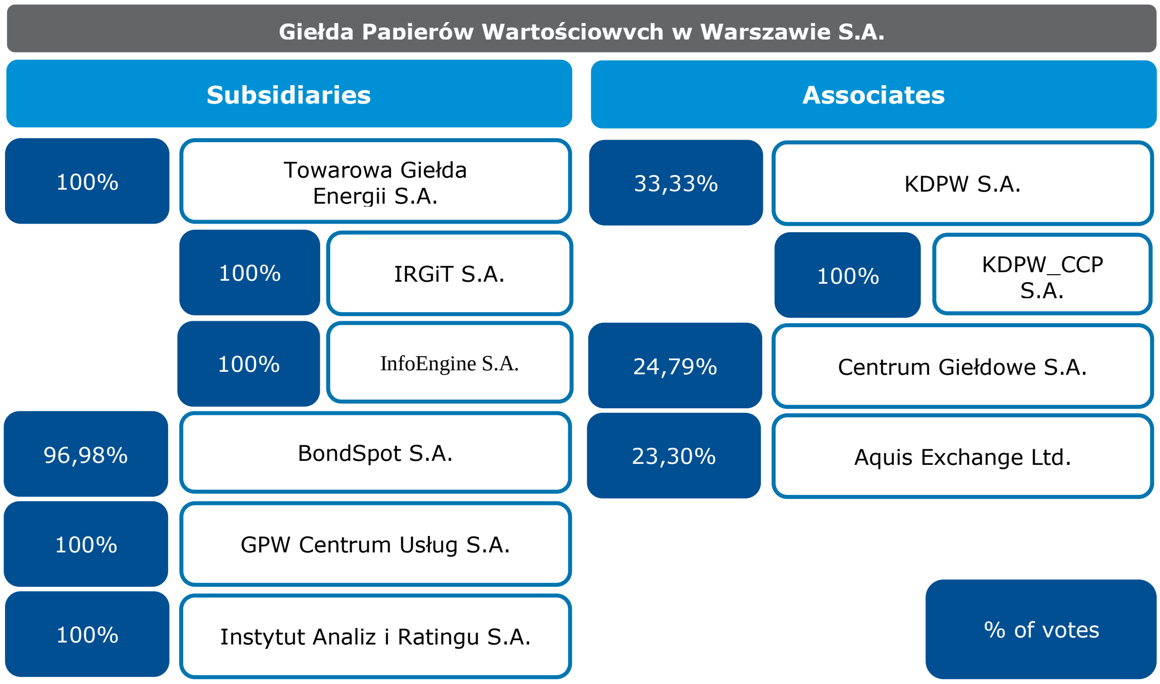
Name and legal status:	Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna
Abbreviated name:	Giełda Papierów Wartościowych w Warszawie S.A.
Registered office and address:	ul. Książęca 4, 00-498 Warsaw, Poland
Telephone number:	+48 (22) 628 32 32
Telefax number:	+48 (22) 628 17 54, +48 (22) 537 77 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

[4] EME – Emerging Markets Europe: Czech Republic, Greece, Hungary, Poland, Russia, Turkey.
[5] CEE – Central and Eastern Europe: Czech Republic, Hungary, Poland, Austria, Bulgaria, Romania, Slovakia, Slovenia.

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

As at 30 June 2016, the parent entity and four consolidated subsidiaries comprised the Giełda Papierów Wartościowych w Warszawie S.A. Group. In addition, GPW held shares in three associates.

Figure 1 GPW Group and associates



Source: Company

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

GPW holds 19.98% of InfoStrefa S.A. (formerly Instytut Rynku Kapitałowego WSE Research S.A.), 10% of the Ukrainian stock exchange INNEX PJSC, 1.3% of the Romanian stock exchange S.C. SIBEX – Sibiu Stock Exchange S.A., and has a permanent representative in London.

The Group does not hold any branches or establishments.

1.3. Ownership

As at the date of publication of this Report, the share capital of the Warsaw Stock Exchange was divided into 41,972,000 shares including 14,779,470 Series A preferred registered shares (one share gives two votes) and 27,192,530 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 51.76% of the total vote. The total number of votes from Series A and B shares is 56,751,470.

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 (i.e., more than 5%) did not change since the publication of the previous periodic report.

The table below presents GPW shares and allotment certificates held by the Company's and the Group's supervising and managing persons.

Table 3: GPW shares and allotment certificates held by the Company's and the Group's managing and supervising persons as at the date of publication of this Report

As at 30 June 2016, 25 shares were held by the Company's and the Group's managing and supervising persons; all those shares were held by one Member of the Management Board of GPW, Mr Dariusz Kułakowski.

	Number of shares held	Number of allotment certificates held	Number of bonds held
Exchange Management Board			
Małgorzata Zaleska	-	-	-
Paweł Dziekoński	-	-	-
Dariusz Kułakowski	25	-	-
Exchange Supervisory Board			
Adam Miłosz	-	-	-
Ewa Sibrecht-Ośka	-	-	-
Jarosław Grzywiński	-	-	-
Jacek Lewandowski	-	-	-
Marek Słomski	-	-	-
Marek Dietl	-	-	-
Jarosław Dominiak	-	-	-

Source: Company

2. Main risks and threats related to the remaining months of 2016

The operation of the Warsaw Stock Exchange and the GPW Group companies is exposed to external risks related to the market and the legal and regulatory environment, and internal risks related to the operating activities.

The risk factors presented below may impact the operation of GPW in the remaining months of 2016, however the order in which they are presented does not reflect their relative importance for the Group.

Risk factors related to the sector of the Group's business activity

The Group faces competition from other exchanges and alternative trading platforms; their entry to the Polish market may adversely impact the activity of the Group and its subsidiaries, their financial position and results of operations

The global exchange sector is highly competitive. Competition in trade and post-trade services in the European Union has been bolstered by legislative amendments designed to harmonise the regulations of EU member states and to integrate their financial markets. Multilateral trading facilities (MTFs) and other forms of exchange and OTC trade could be competitive to the GPW Group. Their active presence on the Polish market could cause attrition of some part of trading on the platforms operated by the Group and increase the pressure on transaction fees charged.

Risk factors related to geopolitics and the global economic conditions

Adverse developments affecting the global economy may negatively affect the Group's business, financial condition and results of operations

The Group's business is dependent on the conditions on the global financial markets. Trends in the global economy, especially in Europe and the USA, as well as geopolitics in the neighbouring countries impact investors' perception of risks and their activity on financial and commodity markets. Furthermore, as global investors think in terms of geographical regions to look for locations of investments, Poland and GPW may be perceived less favourably despite a stronger macroeconomic position compared to peer countries in the region. Less activity of international investors on the markets operated by the GPW Group could also make them less attractive to other market participants.

Risk factors relating to laws and regulations

The GPW Group operates in a highly regulated industry and regulatory changes may have an adverse effect on the Group's business, financial position and results of operations

GPW Group companies operate primarily in Poland but in addition to national law they are also governed by EU regulations. The legal system and regulatory environment can be subject to frequent and sometimes significant unanticipated changes while laws and regulations applicable in Poland may be subject to conflicting official interpretations. The capital market and the commodity instruments market are subject to broad governmental regulation and may be subject to increasing regulatory scrutiny. Regulatory changes may have an adverse effect on GPW and its subsidiaries and on the current and future users of services of the GPW Group.

Amendments of Polish energy laws concerning the obligation of selling electricity and natural gas on the public market could have an adverse impact on the business of the Towarowa Giełda Energii, its financial position and results of operations

The Energy Law imposes on energy companies which generate electricity the obligation of selling no less than 15% of electricity generated within the year among others on commodity exchanges. A similar obligation of selling no less than 55% of high-methane natural gas introduced to the transmission grid within the year has been imposed on energy companies trading in gas. Amendments or cancellation of these obligations could result in less active presence of certain participants of the Towarowa Giełda Energii, impair the liquidity of trade in electricity and natural gas, and make the commodity market less attractive to other participants.

Furthermore, the Energy Law imposes on energy companies which generate electricity, and which are entitled to receive reimbursement of stranded costs in the event of early termination of long-term contracts for the sale of electric power and energy[6], the obligation of selling the remaining quantity of generated electricity (not subject to the obligation of selling 15% referred to above) in a manner which ensures public equal access to such energy, in an open tender, on a market organised by an operator of a regulated market in the Republic of Poland or on commodity exchanges. The number of companies subject to that obligation is decreasing with time, which may result in their less active presence on the Towarowa Giełda Energii, impair the liquidity of trade in electricity, and make the commodity market less attractive to other participants.

The Renewable Energy Sources Act, effective since May 2015, could have an adverse impact on the business of the Towarowa Giełda Energii, its financial position and results of operations

The Renewable Energy Sources Act of 20 February 2015 implements a new system of support for energy generated from renewable energy sources (RES) as of 2016 based on auctions. The existing system based on green certificates of origin will operate no longer than 31 December 2035. In practice, the system may be completely phased out earlier than that due to the fact that certificates of origin are available within 15 years after the first generation of energy in an installation (confirmed by an issued certificate of origin). For those RES installations which first started generating energy subject to green certificates of origin (in 2005), the period of 15 years under the Act will end in 2020; after that, the existing support system will be gradually phased out over many years. Furthermore, the Act allows companies benefiting from support under certificates of origin to switch to the auction system before the end of 15 years. Consequently, some of them may switch to the auction system at an earlier date (before 2020), which would have an adverse impact on the results of the TGE Group.

In addition, the Act narrows down the scope of entities eligible for support under green certificates (excluding large hydropower installations; over 5 MW) and imposes restrictions on the issuance of certificates of origin for multi-fuel combustion plants.

The aforementioned changes and other provisions of the Renewable Energy Sources Act of 20 February 2015 and its implementing regulations could have an adverse impact on the activity of participants of the Property Rights Market and the Register of Certificates of Origin operated by the Towarowa Giełda Energii and, consequently, on the results of the TGE Group.

Risk factors related to the business activity of the Group

The Company cannot control regulatory fees which represent a significant share of the Group's expenses

The Act of 12 June 2015 amending the Capital Market Supervision Act and certain other Acts has largely extended the list of entities required to finance supervision (by adding, among others, banks, insurers, investment funds, public companies, brokerage houses and foreign investment firms) and increased the amount of contributions of entities. As a result, the cost paid by GPW may be reduced significantly in 2016 and beyond compared to PLN 22.0 million in 2015.

Following an amendment of regulations governing fees paid to cover the cost of supervision of the capital market and in view of the provisions of an interpretation of the International Financial Reporting Interpretations Committee (IFRIC 21), the GPW Group has decided to change the timing of recognition of liabilities in respect of fees due to PFSA and of charging the fees to costs. Previously, GPW recognised 1/12 of the annual fee due to PFSA in each month of the year. According to IFRIC 21, an entity recognises a liability for fees due to PFSA at the date of the obligating event. The obligating event is the fact of carrying out a business subject to fees due to

[6] Under the Act of 29 June 2007 on Principles of Covering the Cost of Early Termination of Long-term Power and Electricity Sale Contracts Incurred by Producers.

PFSA as at 1 January of each year. Consequently, the estimated amount of the annual fees due to PFSA will be charged to the accounts of the GPW Group of the first quarter of each year.

However, the exact amount of the liability is not yet known at the time when it is recognised and charged because the Chairperson of the Polish Financial Supervision Authority publishes the rates and the indicators necessary to calculate the fees in a public communique promulgated in the Official Journal of the Polish Financial Supervision Authority by 31 August of each calendar year. On that basis, the entities obliged to pay the fee will calculate the final amount of the annual fee due for the year and pay the fee by 30 September of the calendar year.

Consequently, the final amount of the fees due to the Polish Financial Supervision Authority may differ from the amount estimated by the GPW Group companies at the time of recognition.

IV. FINANCIAL POSITION AND ASSETS

1. Summary of results

The **GPW Group** generated EBITDA[7] of PLN 84.0 million in H1 2016, a decrease of PLN 8.1 million compared to PLN 92.1 million in H1 2015.

The **GPW Group** generated an operating profit of PLN 71.1 million compared to PLN 79.3 million in H1 2015. The decrease of the operating profit by PLN 8.2 million year on year in H1 2016 resulted from lower revenue from the financial market segment (a decrease of PLN 12.0 million) combined with higher revenue from the commodity market segment (an increase of PLN 2.8 million) as well as modestly lower operating expenses (a decrease of PLN 1.0 million).

The net profit of the **Group** stood at PLN 60.3 million in H1 2016 compared to PLN 65.4 million in H1 2015.

GPW's EBITDA stood at PLN 37.9 million in H1 2016, a decrease of PLN 7.1 million compared to PLN 45.0 million in H1 2015.

GPW generated a separate operating profit of PLN 28,0 million in H1 2016 compared to PLN 34.2 million in H1 2015.

The decrease of **GPW**'s operating profit year on year in H1 2016 was mainly a result of lower revenue (a decrease of PLN 11.6 million). The decrease of revenue was mainly driven by lower revenue from trading in equities (a decrease of PLN 12.8 million).

GPW's net profit was PLN 23.7 million in H1 2016 compared to PLN 69.1 million H1 2015. The decrease of the net profit year on year in H1 2016 was driven by a decrease of the operating profit and a decrease (by PLN 40.2 million) of net financial income and expenses resulting from lower revenue from dividends. At the same time, the income tax in H1 2016 decreased (by PLN 0.9 million) year on year.

The **TGE Group** generated an operating profit of PLN 43.1 million in H1 2016 compared to PLN 44.4 million in H1 2015. The net profit of the TGE Group stood at PLN 35.5 million and PLN 36.1 million, respectively, in the periods under review.

BondSpot generated an operating profit of PLN 0.3 million in H1 2016 compared to PLN 1.3 million in H1 2015. The net profit stood at PLN 0.36 million and PLN 1.1 million, respectively, in the periods under review.

Detailed information on changes in revenues and expenses is presented in the sections below.

[7] Operating profit before depreciation and amortisation.

Table 4: Statement of comprehensive income of GPW Group in 2015 and 2016 by quarter and semi-annually

	2016		2015				2016	2015
PLN'000	Q2	Q1	Q4	Q3	Q2	Q1	H1	H1
Sales revenue	**74 461**	**81 031**	**83 819**	**78 733**	**77 171**	**88 167**	**155 492**	**165 338**
Financial market	**42 971**	**44 488**	**48 990**	**51 508**	**49 215**	**50 242**	**87 459**	**99 457**
Trading	26 561	28 330	33 213	36 221	33 142	34 372	54 891	67 514
Listing	6 129	5 871	6 040	5 683	6 536	6 237	12 000	12 774
Information services	10 281	10 287	9 737	9 604	9 536	9 633	20 568	19 169
Commodity market	**30 923**	**36 122**	**34 243**	**26 694**	**26 890**	**37 365**	**67 045**	**64 255**
Trading	14 119	16 637	17 643	12 757	13 623	18 529	30 756	32 152
Register of certificates of origin	7 797	7 954	5 518	5 535	5 492	7 621	15 751	13 113
Clearing	9 007	11 531	11 083	8 402	7 775	11 215	20 538	18 990
Other revenue	**567**	**421**	**586**	**531**	**1 066**	**560**	**988**	**1 626**
Operating expenses	**38 026**	**46 122**	**45 910**	**43 344**	**45 047**	**40 091**	**84 148**	**85 137**
Depreciation and amortisation	6 541	6 370	7 013	7 010	6 619	6 195	12 911	12 814
Salaries	15 128	13 837	15 552	14 754	14 920	11 437	28 965	26 357
Other employee costs	2 764	3 192	2 676	2 517	2 958	3 275	5 956	6 233
Rent and maintenance fees	2 250	2 220	2 258	2 296	2 535	2 696	4 470	5 231
Fees and charges	501	11 642	5 011	6 256	6 190	6 170	12 143	12 360
incl. PFSA fees	*3*	*11 213*	*4 605*	*5 914*	*5 812*	*5 717*	*11 216*	*11 529*
External service charges	9 456	7 558	11 394	9 313	10 063	8 851	17 014	18 914
Other operating expenses	1 387	1 303	2 006	1 199	1 761	1 467	2 690	3 228
Other income	100	244	203	234	172	687	344	859
Other expenses	46	564	42	311	1 146	652	610	1 798
Operating profit	**36 489**	**34 589**	**38 071**	**35 312**	**31 150**	**48 111**	**71 078**	**79 262**
Financial income	5 246	1 963	1 863	1 997	4 406	1 675	7 209	6 081
Financial expenses	2 022	2 075	2 783	1 940	2 153	2 526	4 097	4 678
Share of profit of associates	1 354	(1 368)	(1 717)	311	(336)	212	(14)	(124)
Profit before income tax	**41 067**	**33 109**	**35 434**	**35 678**	**33 069**	**47 472**	**74 176**	**80 541**
Income tax expense	7 127	6 771	7 202	5 566	6 094	9 072	13 898	15 166
Profit for the period	**33 940**	**26 338**	**28 232**	**30 113**	**26 975**	**38 400**	**60 278**	**65 375**

Source: Condensed Consolidated Interim Financial Statements, Company

Table 5: Consolidated statement of financial position of GPW Group by quarter in 2015 and 2016

	2016		2015			
PLN'000	Q2	Q1	Q4	Q3	Q2	Q1
Non-current assets	**579 574**	**577 028**	**580 645**	**569 155**	**572 263**	**571 429**
Property, plant and equipment	121 539	122 252	125 229	109 831	112 059	116 559
Intangible assets	258 057	259 870	261 728	263 693	265 565	262 820
Investment in associates	191 412	187 221	188 570	190 346	190 057	188 352
Deferred tax assets	3 041	2 947	-	-	-	-
Available-for-sale financial assets	290	285	282	287	204	202
Non-current prepayments	5 235	4 453	4 836	4 998	4 378	3 496
Current assets	**542 795**	**528 673**	**442 170**	**425 652**	**519 743**	**484 816**
Inventories	73	71	135	145	133	180
Corporate income tax receivable	234	490	369	213	77	2 808
Trade and other receivables	40 730	44 174	81 273	73 394	61 380	91 519
Available-for-sale financial assets	-	-	-	10 616	10 573	10 551
Assets held for sale	-	-	-	-	807	763
Other current assets	-	3	-	-	-	6
Cash and cash equivalents	501 758	483 935	360 393	341 284	446 773	378 989
Total assets	**1 122 369**	**1 105 701**	**1 022 815**	**994 807**	**1 092 006**	**1 056 245**
Equity	**682 536**	**747 631**	**721 267**	**694 093**	**664 044**	**738 769**
Share capital	63 865	63 865	63 865	63 865	63 865	63 865
Other reserves	1 560	1 481	1 455	1 401	1 465	1 817
Retained earnings	616 614	681 732	655 401	627 886	597 769	671 918
Non-controlling interests	497	553	546	941	945	1 169
Non-current liabilities	**137 461**	**134 420**	**258 799**	**256 218**	**255 246**	**253 516**
Liabilities under bond issue	123 669	123 606	243 800	244 424	244 309	244 193
Employee benefits payable	4 686	4 400	4 046	2 453	2 327	2 010
Finance lease liabilities	58	72	84	99	113	129
Deferred income tax liability	6 824	6 342	10 869	9 242	8 497	7 184
Current liabilities	**302 372**	**223 650**	**42 749**	**44 496**	**172 716**	**63 960**
Liabilities under bond issue	121 047	122 881	682	1 814	-	1 935
Trade payables	6 288	6 182	8 597	7 879	19 634	9 974
Employee benefits payable	10 379	7 246	9 457	11 150	9 584	7 632
Finance lease liabilities	55	55	55	55	79	186
Corporate income tax payable	10 920	9 058	2 833	2 463	7 130	2 254
Accruals and deferred income	31 021	38 966	7 263	10 194	18 054	25 368
Provisions for other liabilities and charges	649	649	621	1 236	1 282	1 264
Other current liabilities	122 013	38 613	13 241	9 705	116 683	15 121
Liabilities held for sale	-	-	-	-	270	226
Total equity and liabilities	**1 122 369**	**1 105 701**	**1 022 815**	**994 807**	**1 092 006**	**1 056 245**

Source: Condensed Consolidated Interim Financial Statements, Company

2. Presentation of the financials

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 following revenues from transactions in equities. 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 were the third largest source of trading revenues on the financial market in H1 2016. 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 GPW.

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

Listing revenues include two main elements:

- one-off fees paid by issuers for introduction of 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 TGE and IRGIT as well as revenues of InfoEngine from its activity as a trade operator, the entity responsible for balancing, and the operation of the OTC commodity platform.

Revenue on the commodity market includes the following:

- 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,
- other fees paid by market participants (members).

Other fees paid by market participants include TGE fees, as well as revenues of InfoEngine as a trade operator, the entity responsible for balancing, and the operation of the OTC commodity platform.

Revenues of the sub-segment "clearing" include revenues of the company IRGIT, which clears and settles exchange transactions concluded on TGE, manages the resources of the clearing guarantee system and determines the amount of credits and debits of IRGIT members resulting from their transactions.

The Group's other revenues include revenues of GPW and the TGE Group, among others, from office space lease and sponsorship. Following the sale of InfoStrefa S.A. (formerly Instytut Rynku Kapitałowego S.A.) to a third party, other revenues decreased starting in Q4 2015.

The **Group's** sales revenues amounted to PLN 155.5 million in H1 2016, a decrease of 6% (PLN 9.8 million) year on year.

The decrease in sales revenues year on year in H1 2016 was mainly driven by a decrease of revenues from the **financial market** by PLN 12.0 million, especially from trading in equities and equity-related instruments. Revenue from trading in debt instruments also decreased. Listing revenues also decreased by PLN 0.8 million or 6.1%. Revenues from the **commodity market** increased by PLN 2.8 million or 4.3% year on year.

The revenue of the **TGE Group** stood at PLN 67.6 million in H1 2016 compared to PLN 64.6 million in H1 2015. The revenue of **BondSpot** in the periods under review stood at PLN 5.4 million and PLN 6.2 million, respectively.

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

Table 6: Consolidated revenues of GPW Group and revenue structure in H1 2015 and H1 2016

PLN'000, %	Six - month period ended				Change (H1 2016 vs H1 2015)	Change (%) (H1 2016 vs H1 2015)
	30 June 2016	%	30 June 2015	%		
Financial market	**87 459**	**56%**	**99 457**	**60%**	**(11 998)**	**-12,1%**
Trading revenue	54 891	35%	67 514	41%	(12 623)	-18,7%
Equities and equity-related instruments	40 189	26%	53 014	32%	(12 825)	-24,2%
Derivative instruments	6 182	4%	5 465	3%	717	13,1%
Other fees paid by market participants	3 330	2%	3 142	2%	188	6,0%
Debt instruments	4 988	3%	5 690	3%	(702)	-12,3%
Other cash instruments	202	0%	203	0%	(1)	-0,3%
Listing revenue	12 000	8%	12 774	8%	(774)	-6,1%
Listing fees	10 053	6%	9 936	6%	117	1,2%
Introduction fees, other fees	1 947	1%	2 838	2%	(891)	-31,4%
Information services	20 568	13%	19 169	12%	1 399	7,3%
Real-time information	19 193	12%	17 988	11%	1 205	6,7%
Indices and historical and statistical information	1 375	1%	1 181	1%	194	16,4%
Commodity market	**67 045**	**43%**	**64 255**	**39%**	**2 790**	**4,3%**
Trading revenue	30 756	20%	32 152	19%	(1 396)	-4,3%
Electricity	5 341	3%	6 951	4%	(1 610)	-23,2%
Spot	1 542	1%	1 458	1%	84	5,8%
Forward	3 799	2%	5 493	3%	(1 694)	-30,8%
Gas	4 800	3%	4 296	3%	504	11,7%
Spot	1 335	1%	743	0%	592	79,7%
Forward	3 465	2%	3 553	2%	(88)	-2,5%
Property rights in certificates of origin	16 593	11%	17 425	11%	(832)	-4,8%
Other fees paid by market participants	4 022	3%	3 481	2%	541	15,5%
Register of certificates of origin	15 751	10%	13 113	8%	2 638	20,1%
Clearing	20 538	13%	18 990	11%	1 548	8,1%
Other revenue	**988**	**1%**	**1 626**	**1%**	**(638)**	**-39,3%**
Total	**155 492**	**100%**	**165 338**	**100%**	**(9 846)**	**-6,0%**

Source: Condensed Consolidated Interim Financial Statements, Company

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

Table 7: Consolidated revenues of GPW Group by geographical segment in H1 2015 and H1 2016

PLN'000, %	Six-month period ended				Change (H1 2016 vs H1 2015)	Change (%) (H1 2016 vs H1 2015)
	30 June 2016	%	30 June 2015	%		
Revenue from foreign customers	34 583	22%	36 171	22%	(1 588)	-4,4%
Revenue from local customers	120 909	78%	129 167	78%	(8 258)	-6,4%
Total	**155 492**	**100%**	**165 338**	**100%**	**(9 846)**	**-6,0%**

Source: Condensed Consolidated Interim Financial Statements, Company

FINANCIAL MARKET

TRADING

The revenues of the Group from trading on the financial market stood at PLN 54.9 million in H1 2016 compared to PLN 67.5 million in H1 2015.

Equities and equity-related instruments

Revenues from trading in **equities and equity-related instruments** amounted to PLN 40.2 million in H1 2016 compared to PLN 53.0 million in H1 2015.

The decrease of revenues from trading in equities was mainly a result of a decrease in the value of trading on the Main Market as well as a reduction of trading fees effective as of 1 January 2016. The value of trading decreased by 21.2% year on year in H1 2016 (including a decrease of the Electronic Order Book by 16.4% and of block trades by 62.4%). In addition, the share of HVP/HVF Programme participants, who pay lower fees, in the total value of trading in equities increased.

The reduction of trading fees results from changes in the financing system of capital market supervision. As of 1 January 2016, GPW reduced the transaction fees on trade in shares, allotment certificates and ETF units in the part charged on the value of an order up to PLN 100 thousand from 0.033% to 0.029% in order to share the savings resulting from the change of the structure of fees paid to PFSA in favour of market participants.

Table 8: Data for the markets in equities and equity-related instruments

	Six-month period ended		Change (H1 2016 vs H1 2015)	Change (%) (H1 2016 vs H1 2015)
	30 June 2016	30 June 2015		
Financial market, trading revenue: equities and equity-related instruments *(PLN million)*	**40,2**	**53,0**	**(12,8)**	**-24,2%**
Main Market:				
Value of trading (PLN billion)	89,8	113,9	(24,2)	-21,2%
Volume of trading (billions of shares)	7,2	7,6	(0,4)	-5,5%
NewConnect:				
Value of trading (PLN billion)	0,7	0,9	(0,2)	-23,9%
Volume of trading (billions of shares)	1,8	2,0	(0,2)	-11,4%

Source: Condensed Consolidated Interim Financial Statements, Company

Derivatives

Revenues of the Group from transactions in **derivatives** on the financial market amounted to PLN 6.2 million in H1 2016 compared to PLN 5.5 million in H1 2015.

Revenues from transactions in derivatives increased by 13.1% year on year in H1 2016. The total volume of trade in derivatives decreased by 6.7% but the volume of trade in WIG20 futures, which account for the majority of revenues from trade in derivatives, increased by 17.4%.

Table 9: Data for the derivatives market

	Six-month period ended		Change (H1 2016 vs H1 2015)	Change (%) (H1 2016 vs H1 2015)
	30 June 2016	30 June 2015		
Financial market, trading revenue: derivatives *(PLN million)*	**6,2**	**5,5**	**0,7**	**13,1%**
Volume of trading in derivatives (millions of contracts):	3,9	4,2	(0,3)	-6,7%
incl.: Volume of trading in WIG20 futures (millions of contracts)	2,4	2,1	0,3	17,4%

Source: Condensed Consolidated Interim Financial Statements, Company

Other fees paid by market participants

Revenues of the Group from **other fees** paid by market participants were stable in the semi-annual periods under review and stood at PLN 3.3 million in H1 2016 compared to PLN 3.1 million in H1 2015. The fees mainly include fees for access to the trading system (among others, licence fees, connection fees and maintenance fees) as well as fees for use of the system.

Debt instruments

Revenues of the Group from transactions in **debt instruments** stood at PLN 5.0 million in H1 2016 compared to PLN 5.7 million in H1 2015. The majority of the Group’s revenues from the debt instruments segment is generated by Treasury BondSpot Poland (TBSP).

The decrease of the revenues year on year in H1 2016 was a result of a lower value of trade on TBS Poland, which decreased by 19.8% for cash transactions and by 68.8% for conditional transactions. The trading revenue on the TBS Poland market is driven among others by the structure of fees on the market and does not reflect directly changes in the value of trading.

The decrease in the value of trading on TBSP was driven among other things by the reduction of balance sheets by banks, resulting in less active trading in Treasury bonds (especially in the repo/sell-buy-back segment).

The value of trading on Catalyst increased by 52.7% year on year in H1 2016. Revenues from Catalyst have a small share in the Group’s total revenues from transactions in debt instruments.

Table 10: Data for the debt instruments market

	Six-month period ended		Change (H1 2016 vs H1 2015)	Change (%) (H1 2016 vs H1 2015)
	30 June 2016	30 June 2015		
Financial market, trading revenue: debt instruments *(PLN million)*	**5,0**	**5,7**	**(0,7)**	**-12,3%**
Catalyst:				
Value of trading (PLN billion)	1,8	1,2	0,6	52,7%
incl.: Value of trading in non-Treasury instruments (PLN billion)	1,4	0,9	0,5	51,5%
Treasury BondSpot Poland, value of trading:				
Conditional transactions (PLN billion)	54,2	174,1	(119,9)	-68,8%
Cash transactions (PLN billion)	121,8	151,9	(30,1)	-19,8%

Source: Condensed Consolidated Interim Financial Statements, Company

Other cash market instruments

Revenues from transactions in **other cash market instruments** amounted to PLN 0.20 million in H1 2016, the same as in H1 2015. The revenues include fees for trading in structured products, investment certificates, ETF units and warrants.

LISTING

Listing revenues on the financial market amounted to PLN 12.0 million in H1 2016 compared to PLN 12.8 million in H1 2015.

Revenues from **listing fees** amounted to PLN 10.1 million in H1 2016 compared to PLN 9.9 million in H1 2015. The main driver of revenues from listing fees is the number of issuers listed on the GPW markets and their capitalisation at the year's end. The decrease of capitalisation of companies listed on the GPW Main Market year on year as at the end of 2015 resulted in a decrease of listing fees in view of changes in the capitalisation of companies and the structure of fees (the annual listing fee is capped at PLN 70 thousand).

Revenues from **fees for introduction and other fees** amounted to PLN 1.9 million in H1 2016 compared to PLN 2.8 million in H1 2015. The revenues are driven mainly by the number and value of new listings of shares and bonds on the GPW markets.

The listing revenue on the GPW Main Market decreased by 7.3% year on year in H1 2016. The table below presents the key financial and operating figures.

Table 11: Data for the GPW Main Market

	Six-month period ended		Change (H1 2016 vs H1 2015)	Change (%) (H1 2016 vs H1 2015)
	30 June 2016	30 June 2015		
Main Market				
Listing revenue (PLN million)	**9,9**	**10,7**	**(0,8)**	**-7,3%**
Total capitalisation of listed companies *(PLN billion)*	913,1	1 287,7	(374,6)	-29,1%
including: Capitalisation of listed domestic companies	496,1	605,2	(109,1)	-18,0%
including: Capitalisation of listed foreign companies	417,0	682,5	(265,5)	-38,9%
Total number of listed companies	483	474	9	1,9%
including: Number of listed domestic companies	430	422	8	1,9%
including: Number of listed foreign companies	53	52	1	1,9%
Value of offerings *(IPO and SPO) (PLN billion)* *	1,4	42,7	(41,3)	-96,7%
Number of new listings *(in the period)*	9	10	(1)	-10,0%
Capitalisation of new listings *(PLN billion)*	2,7	3,1	(0,4)	-13,9%
Number of delistings	13	7	6	85,7%
Capitalisation of delistings** (PLN billion)	2,6	2,2	0,4	19,8%

** including SPOs of Santander Bank at PLN 33.0 billion in Q1 2015*

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

Source: Company

Listing revenues from NewConnect decreased by 6.4% year on year in H1 2016. The table below presents the key financial and operating figures.

Table 12: Data for NewConnect

	Six-month period ended		Change (H1 2016 vs H1 2015)	Change (%) (H1 2016 vs H1 2015)
	30 June 2016	30 June 2015		
NewConnect				
Listing revenue *(PLN million)*	**1,1**	**1,2**	**(0,1)**	**-6,4%**
Total capitalisation of listed companies *(PLN billion)*	8,9	9,7	(0,8)	-8,3%
including: Capitalisation of listed domestic companies	8,6	9,3	(0,7)	-7,6%
including: Capitalisation of listed foreign companies	0,3	0,4	(0,1)	-26,4%
Total number of listed companies	413	434	(21)	-4,8%
including: Number of listed domestic companies	404	423	(19)	-4,5%
including: Number of listed foreign companies	9	11	(2)	-18,2%
Value of offerings *(IPO and SPO) (PLN billion)*	0,1	0,2	-0,1	-52,2%
Number of new listings *(in the period)*	7	12	(5)	-41,7%
Capitalisation of new listings *(PLN billion)*	0,2	0,4	(0,2)	-43,5%
Number of delistings*	12	9	3	33,3%
Capitalisation of delistings** (PLN billion)	0,5	0,5	0,0	1,9%

** includes companies which transferred to the Main Market*

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

Source: Company

Listing revenues from Catalyst stood at PLN 1.0 million in H1 2016 and increased by 9.9% year on year. The table below presents the key financial and operating figures.

Table 13: Data for Catalyst

	Six-month period ended		Change (H1 2016 vs H1 2015)	Change (%) (H1 2016 vs H1 2015)
	30 June 2016	30 June 2015		
Catalyst				
Listing revenue *(PLN million)*	**1,0**	**0,9**	**0,1**	**9,9%**
Number of issuers	185	195	(10)	-5,1%
Number of issued instruments	549	524	25	4,8%
including : non-Treasury instruments	511	491	20	4,1%
Value of issued instruments *(PLN billion)*	671,8	594,1	77,7	13,1%
including: non-Treasury instruments	75,5	67,0	8,5	12,7%

Source: Company

INFORMATION SERVICES

Revenues from **information services** amounted to PLN 20.6 million in H1 2016 compared to PLN 19.2 million in H1 2015. The increase in revenues was driven by an increase of the monthly subscription fee for the top 5 bids/asks paid by institutional subscribers other than exchange members.

Table 14: Data for information services

	Six-month period ended		Change (H1 2016 vs H1 2015)	Change (%) (H1 2016 vs H1 2015)
	30 June 2016	30 June 2015		
Revenues from information services *(PLN million)*	**20,6**	**19,2**	**1,4**	**7,3%**
Number of data vendors	51	56	(5)	-8,9%
Number of subscribers ('000 subscribers)	222,3	238,7	(16,4)	-6,9%

Source: Condensed Consolidated Interim Financial Statements, Company

COMMODITY MARKET

Revenues on the commodity market include mainly the revenues of the TGE Group.

Revenues of the TGE Group are driven mainly by the volume of transactions in electricity, natural 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-traded commodities in the clearing sub-segment operated by IRGIT.

Revenues of the GPW Group on the commodity market stood at PLN 67.0 million in H1 2016 compared to PLN 64.3 million in H1 2015.

The increase of revenues on the commodity market year on year in H1 2016 was mainly driven by an increase in revenues from the operation of the register of certificates of origin, clearing, cash transactions on the gas market, as well as other fees paid by market participants. On the other hand, revenues from transactions in electricity decreased, reducing the trading revenue.

TRADING

Trading revenues of the GPW Group on the commodity market amounted to PLN 30.8 million in H1 2016, including PLN 1.5 million of revenues from spot transactions in electricity, PLN 3.8 million of revenues from forward transactions in electricity, PLN 1.3 million of revenues from spot transactions in gas, PLN 3.5 million of revenues from forward transactions in gas, PLN 16.6 million of revenues from transactions in property rights in certificates of origin of electricity, and PLN 4.0 million of other fees paid by market participants. The revenues decreased by PLN 1.4 million year on year in H1 2016.

The Group's revenues from **trade in electricity** amounted to PLN 5.3 million in H1 2016 compared to PLN 7.0 million in H1 2015. The total volume of trading on the energy markets operated by TGE amounted to 66.3 TWh in H1 2016 compared to 89.7 TWh in H1 2015.

The decrease in revenues from trading in electricity year on year in H1 2016 was due to a lower volume of forward transactions. The volume of forward transactions decreased by 32.1% while the volume of spot transactions increased by 10.4%.

The Group's revenues from **trade in gas** amounted to PLN 4.8 million in H1 2016 compared to PLN 4.3 million in H1 2015. The volume of trade in natural gas on TGE was 59.2 TWh in H1 2016 compared to 55.8 TWh in H1 2015.

The Group's revenue from the **trading in property rights** stood at PLN 16.6 million in H1 2016 compared to PLN 17.4 million in H1 2015. The volume of trading in property rights stood at 31.2 TWh in H1 2016 compared to 34.2 TWh in H1 2015.

Revenues of the Group from **other fees paid by commodity market participants** amounted to PLN 4.0 million in H1 2016 compared to PLN 3.5 million in H1 2015. Other fees paid by commodity market participants included fees paid by TGE market participants and revenues of InfoEngine from the activity of trade operator.

Other fees paid by market participants are driven mainly by revenues from fixed market participation fees, fees for cancellation of transactions, fees for position transfers, fees for trade reporting under RRM (Registered Reporting Mechanism), fees for access to the system, and fees for management of the resources of the guarantee fund. Other fees paid by market participants depend mainly on the activity of IRGIT Members, in particular the number of transactions, the number of new clients of brokerage houses, and the number of new users accessing the clearing system.

Table 15: Data for the commodity market

	Six-month period ended		Change (H1 2016 vs H1 2015)	Change (%) (H1 2016 vs H1 2015)
	30 June 2016	30 June 2015		
Commodity market - trading revenue (PLN million)	**30,8**	**32,2**	**(1,4)**	**-4,3%**
Volume of trading in electricity				
Spot transactions *(TWh)*	14,2	12,9	1,3	10,4%
Forward transactions *(TWh)*	52,1	76,8	(24,6)	-32,1%
Volume of trading in gas				
Spot transactions *(TWh)*	12,3	6,6	5,7	86,7%
Forward transactions *(TWh)*	46,9	49,2	(2,3)	-4,6%
Volume of trading in property rights (TGE) (TWh)	31,2	34,2	-3,1	-9,0%

Source: Condensed Consolidated Interim Financial Statements, Company

REGISTER OF CERTIFICATES OF ORIGIN

Revenues from the operation of the **Register of Certificates of Origin** amounted to PLN 15.8 million in H1 2016 compared to PLN 13.1 million in H1 2015. The increase in the revenues year on year in H1 2016 was mainly due to high revenues from the cancellation of property rights, especially green certificates of origin.

Table 16: Data for the Register of Certificates of Origin

	Six-month period ended		Change (H1 2016 vs H1 2015)	Change (%) (H1 2016 vs H1 2015)
	30 June 2016	30 June 2015		
Commodity market - revenue from operation of the Register of Certificates of Origin of electricity (PLN million)	**15,8**	**13,1**	**2,6**	**20,1%**
Issued property rights *(TWh)*	26,2	28,3	-2,1	-7,4%
Cancelled property rights *(TWh)*	42,4	11,9	30,5	255,3%

Source: Condensed Consolidated Interim Financial Statements, Company

CLEARING

The Group earns revenue from the **clearing activities** of IRGIT, which is a subsidiary of TGE. The revenue stood at PLN 20.5 million in H1 2016 compared to PLN 19.0 million in H1 2015.

OTHER REVENUES

The Group's other revenues amounted to PLN 1.0 million in H1 2016 compared to PLN 1.6 million in H1 2015. The Group's other revenues include revenues from office space lease and sponsorship.

OPERATING EXPENSES

Total operating expenses of the **GPW Group** amounted to PLN 84.1 million in H1 2016, representing a decrease of PLN 1.0 million (1.2%) year on year.

Separate operating expenses of **GPW** stood at PLN 54.9 million in H1 2016, representing a decrease of PLN 4.8 million (8.0%) year on year.

Operating expenses of the **TGE Group** stood at PLN 24.6 million in H1 2016 compared to PLN 20.3 million in H1 2015 and increased mainly due to changes in the system of fees due to the PFSA. Operating expenses of **BondSpot** in the periods under review stood at PLN 5.1 million and PLN 4.9 million, respectively.

Table 17: Consolidated operating expenses of GPW Group and structure of operating expenses in H1 2015 and H1 2016

PLN'000, %	Six-month period ended				Change (H1 2016 vs H1 2015)	Change (%) (H1 2016 vs H1 2015)
	30 June 2016	%	30 June 2015	%		
Depreciation and amortisation	12 911	15%	12 814	15%	97	0,8%
Salaries	28 965	34%	26 357	31%	2 608	9,9%
Other employee costs	5 956	7%	6 233	7%	(277)	-4,4%
Rent and other maintenance fees	4 470	6%	5 231	6%	(761)	-14,6%
Fees and charges	12 143	14%	12 360	15%	(217)	-1,8%
including: PFSA fees	*11 216*	*13%*	*11 529*	*14%*	*(313)*	*-2,7%*
External service charges	17 014	20%	18 914	22%	(1 900)	-10,0%
Other operating expenses	2 690	4%	3 228	4%	(538)	-16,7%
Total	**84 148**	**100%**	**85 137**	**100%**	**(989)**	**-1,2%**

Source: Condensed Consolidated Interim Financial Statements, Company

The decrease of consolidated expenses year on year in H1 2016 was mainly driven by lower operating expenses of all categories but *Salaries* and *Depreciation and amortisation*. *Salaries* increased in H1 2016 mainly due to the cost of severance pay following reorganisation (PLN 1.5 million), whereas provisions against retirement allowances and jubilee awards were released in H1 2015 (PLN 3.3 million), reducing the cost of salaries.

Table 18: Separate operating expenses of GPW and structure of operating expenses in H1 2015 and H1 2016

PLN'000, %	Six-month period ended				Change (H1 2016 vs H1 2015)	Change (%) (H1 2016 vs H1 2015)
	30 June 2016	%	30 June 2015	%		
Depreciation and amortisation	9 934	18%	10 858	18%	(924)	-8,5%
Salaries	17 184	31%	13 384	22%	3 800	28,4%
Other employee costs	4 020	7%	4 171	7%	(150)	-3,6%
Rent and other maintenance fees	3 076	6%	3 878	7%	(802)	-20,7%
Fees and charges	6 984	13%	11 459	19%	(4 475)	-39,1%
including: PFSA fees	*6 613*	*12%*	*11 100*	*19%*	*(4 487)*	*-40,4%*
External service charges	11 780	21%	13 692	23%	(1 912)	-14,0%
Other operating expenses	1 899	4%	2 193	4%	(294)	-13,4%
Total	**54 878**	**100%**	**59 634**	**100%**	**(4 756)**	**-8,0%**

Source: Company

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

Depreciation and amortisation

Depreciation and amortisation charges stood at PLN 12.9 million in H1 2016 compared to PLN 12.8 million in H1 2015. The increase in depreciation and amortisation charges year on year in H1 2016 resulted mainly from an increase of depreciation and amortisation charges in TGE by PLN 0.9 million, a decrease of depreciation and amortisation charges in GPW by PLN 0.9 million following the completion of depreciation of property, plant and equipment related to the UTP trading system in 2015, as well as an increase of depreciation and amortisation charges in BondSpot by PLN 0.1 million.

Salaries and other employee costs

Salaries and other employee costs amounted to PLN 34.9 million in H1 2016 compared to PLN 32.6 million in H1 2015.

GPW's salaries increased year on year in H1 2016 due to the cost of reorganisation in 2016 (PLN 1.5 million), whereas salaries decreased in 2015 as provisions against retirement allowances and jubilee awards were released following changes of the jubilee award system and the retirement and disability severance pay system (PLN 3.3 million).

The headcount of the Group was 349 FTEs as at 30 June 2016.

Table 19: Employment in GPW Group

# FTEs	As at		
	30 June 2016	31 December 2015	30 June 2015
GPW	198	201	203
Subsidiaries	151	150	152
Total	**349**	**351**	**355**

Source: Company

Rent and other maintenance fees

Rent and other maintenance fees amounted to PLN 4.5 million in H1 2016 compared to PLN 5.2 million in H1 2015. Rental contracts for NewConnect and Catalyst rooms and an archive space in the Centrum Giełdowe building were terminated at the end of May 2015, reducing the cost of rent and maintenance fees by ca. PLN 100 thousand per month as of June 2015.

Fees and charges

Fees and charges stood at PLN 12.1 million in H1 2016 compared to PLN 12.4 million in H1 2015. The main component of fees and charges are capital market supervision fees paid to the Polish Financial Supervision Authority (PFSA) (PLN 11.2 million in the current period). Following a change of the system of financing of the cost of market supervision and a change of the scope of entities contributing towards the financing as of the beginning of 2016, the entire estimated annual fee due to PFSA is recognised in H1 2016. The amount of the fee in H1 2016 compared with H1 2015 is driven by a decrease of the fees due to PFSA paid by GPW by PLN 4.5 million, an increase of the fees due to PFSA paid by TGE by PLN 4.1 million, and an increase of the fees due to PFSA paid by BondSpot by PLN 0.1 million. While the fees due to PFSA from the GPW Group are very similar in the periods under review, it should be noted that the entire estimated annual cost was recognised in H1 2016 while only the H1 2015 cost was recognised in H1 2015.

The Act of 12 June 2015 amending the Capital Market Supervision Act and certain other Acts has largely extended the list of entities required to finance supervision (by adding, among others, banks, insurers, investment funds, public companies, brokerage houses and foreign investment firms) and increased the amount of contributions of entities. As a result, the cost paid by GPW may be reduced significantly in 2016 and beyond compared to PLN 22.0 million in 2015 (approximately by half for the GPW Group compared to 2015). At the same time, as of 1 January 2016, GPW reduced the transaction fees on trade in shares, allotment certificates and ETF units in the part charged on the value of an order up to PLN 100 thousand from 0.033% to 0.029% in order to transfer the savings resulting from the change of the structure of fees paid to PFSA in favour of market participants. The reduction of the fees paid to PFSA combined with the reduction of the trading fees offered by GPW will result in a commensurate decrease of both revenue and operating expenses of the GPW Group throughout 2016.

Following an amendment of regulations governing fees paid to cover the cost of supervision of the capital market and in view of the provisions of an interpretation of the International Financial Reporting Interpretations Committee (IFRIC 21), the GPW Group has decided to change the timing of recognition of liabilities in respect of fees due to PFSA and of charging the fees to costs. Previously, GPW recognised 1/12 of the annual fee due to PFSA in each month of the year. Starting in 2016, the GPW Group will recognise the total liabilities and costs in respect of annual fees due to PFSA in the first quarter of each year. As a result of the modified presentation of fees due to PFSA, the GPW Group’s operating expenses in H1 2016 include the entire fee at PLN 11 million. However, the GPW Group’s operating expenses in H2 2016 will not include the annual fee due to PFSA, which will reduce them by approximately PLN 2.7 million per quarter compared to a steady distribution of the fees over the year. The modification is a purely presentational movement between different quarters. It will not affect the GPW Group’s annual results.

The Chairperson of the Polish Financial Supervision Authority publishes the rates and the indicators necessary to calculate the fees in a public communique promulgated in the Official Journal of the Polish Financial Supervision Authority by 31 August of each calendar year. On that basis, the entities obliged to pay the fee will calculate the final amount of the annual fee due for the year and pay the fee by 30 September of the calendar year.

External service charges

External service charges amounted to PLN 17.0 million in H1 2016 compared to PLN 18.9 million in H1 2015 (a decrease of 10.0%).

Table 20: Consolidated external service charges of GPW Group and structure of external service charges in H1 2015 and H1 2016

PLN'000, %	Six-month period ended 30 June 2016	%	30 June 2015	%	Change (H1 2016 vs H1 2015)	Change (%) (H1 2016 vs H1 2015)
IT cost:	10 059	59%	9 544	50%	515	5,4%
IT infrastructure maintenance	*6 341*	*37%*	*5 844*	*31%*	*498*	*8,5%*
TBSP maintenance service	*755*	*4%*	*585*	*3%*	*170*	*29,1%*
Data transmission lines	*2 871*	*17%*	*2 912*	*15%*	*(41)*	*-1,4%*
Software modification	*92*	*1%*	*203*	*1%*	*(111)*	*-54,8%*
Office and office equipment maintenance:	1 183	7%	1 197	6%	(14)	-1,2%
Repair and maintenance of installations	*294*	*2%*	*306*	*2%*	*(12)*	*-4,0%*
Security	*428*	*3%*	*412*	*2%*	*16*	*3,9%*
Cleaning	*240*	*1%*	*235*	*1%*	*5*	*2,3%*
Phone and mobile phone services	*221*	*1%*	*244*	*1%*	*(23)*	*-9,5%*
Leasing, rental and maintenance of vehicles	276	2%	207	1%	69	33,4%
Transportation services	90	1%	66	0%	24	36,0%
Promotion, education, market development	2 417	14%	3 183	17%	(767)	-24,1%
Market liquidity support	242	1%	479	3%	(237)	-49,5%
Advisory (including: audit, legal services, business consulting)	1 510	9%	2 682	14%	(1 172)	-43,7%
Information services	371	2%	310	2%	61	19,7%
Training	242	1%	387	2%	(145)	-37,4%
Mail fees	41	0%	38	0%	3	7,7%
Bank fees	74	0%	59	0%	15	24,8%
Translation	147	1%	161	1%	(14)	-8,9%
Other	362	2%	600	3%	(238)	-39,6%
Total	**17 014**	**100%**	**18 914**	**100%**	**(1 900)**	**-10,0%**

Source: Condensed Consolidated Interim Financial Statements

The decrease of external service charges year on year was mainly driven by GPW (a decrease of PLN 1.9 million). The decrease of GPW's expenses was due to a decrease by PLN 0.6 million in the cost of IT infrastructure maintenance, a decrease by PLN 0.7 million in the cost of advisory services, a decrease by PLN 0.3 million in the cost of promotion related to GPW's development and image projects, a decrease by PLN 0.2 million in the cost of supporting market liquidity, and a decrease by PLN 0.1 million each in the cost of training and the cost of leasing and maintenance of company cars.

Other operating expenses

Other operating expenses amounted to PLN 2.7 million in H1 2016 compared to PLN 3.2 million in H1 2015. The expenses in H1 2016 included mainly the cost of material and energy consumption at PLN 1.5 million, industry organisation membership fees of PLN 0.3 million, non-life insurance at PLN 0.1 million, business travel at PLN 0.5 million.

The decrease of expenses in H1 2016 was mainly due to a reduction by PLN 0.3 million in costs of business travel and by PLN 0.1 million each in costs of membership fees, non-life insurance, and conference participation.

OTHER INCOME AND EXPENSES

Other income of the Group stood at PLN 0.3 million in H1 2016 compared to PLN 0.9 million in H1 2015. Other income includes damages received, gains on the sale of property, plant and equipment, reversal of impairment write-downs of receivables and investments.

Other expenses of the Group stood at PLN 0.6 million in H1 2016 compared to PLN 1.8 million in H1 2015. Other expenses include donations paid, losses on the sale of property, plant and equipment, impairment write-downs of receivables and investments, and provisions against damages.

FINANCIAL INCOME AND EXPENSES

Financial income of the Group stood at PLN 7.2 million in H1 2016 compared to PLN 6.1 million in H1 2015. Financial income includes mainly interest on bank deposits, positive FX differences, and the revaluation of shares of the associate Aquis (PLN 3.1 million) resulting from a capital increase.

Financial expenses of the Group stood at PLN 4.1 million in H1 2016 compared to PLN 4.7 million in H1 2015. Financial expenses include mainly interest on bonds in issue.

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

On 18 September 2015, GPW announced its intention to buy back series A and B bonds issued by GPW from bond holders for cancellation. On 29 September 2015, the GPW Management Board passed a resolution on the issue of series C unsecured bearer bonds. The bonds were issued on 6 October 2015.

On 6 October 2015, GPW issued 1,250,000 series C bearer bonds in a total nominal amount of PLN 125,000,000. The nominal amount and the issue price was PLN 100 per bond. The series C bonds bear interest at a fixed rate of 3.19% p.a. Interest on the bonds is paid semi-annually. The bonds are due for redemption on 6 October 2022 against the payment of the nominal value to the bond holders. The bonds have been introduced into the alternative trading system on Catalyst.

On 12 October 2015, GPW completed the purchase of its series A and B bonds from bond holders at a price of PLN 101.20 per bond. On 6-12 October 2015, GPW bought back 1,245,163 bonds for a total price of PLN 126,010,495.60. The early redemption of the series A and B bonds was paid for with cash raised by GPW through the issue of series C bonds.

Interest on the outstanding bonds is the main contributor to the financial expenses of the Company. The interest rate on the series A and B bonds is 2.94% p.a. in H1 2016 compared to 3.22% in H1 2015. The series C bonds bear interest at a fixed rate of 3.19% p.a.

SHARE OF PROFIT OF ASSOCIATES

The Group's share of profit of associates stood at a negative PLN 0.01 million in H1 2016 compared to a negative PLN 0.1 million in H1 2015.

The Group's share of the **KDPW Group** profit was PLN 2.4 million in H1 2016 compared to PLN 2.9 million in H1 2015.

The share in the net profit of **Centrum Giełdowe** was PLN 0.14 million in H1 2016 compared to PLN 0.28 million in H1 2015. The volatility of the profit of Centrum Giełdowe in the periods under review resulted mainly from fx differences and payment amounts and dates of the company's US$ denominated loan.

The Group's share of the loss of **Aquis Exchange Ltd** was PLN 2.5 million in H1 2016 compared to PLN 3.3 million in H1 2015.

Following a new share issue without the participation of GPW, GPW's share in Aquis measured by the number of shares decreased from 31.01% as at 31 December 2015 to 26.89% as at 30 June 2016. GPW's share in economic and voting rights decreased from 26.33% to 23.30%.

Table 21: Profit / (Loss) of associates

PLN'000	Six-month period ended		Change (H1 2016 vs H1 2015)	Change (%) (H1 2016 vs H1 2015)
	30 June 2016	30 June 2015		
KDPW S.A. Group	7 863	8 726	(863)	-9,9%
Centrum Giełdowe S.A.	575	1 127	(552)	-49,0%
Aquis Exchange Ltd	(9 616)	(11 143)	1 527	-13,7%
Total	**(1 178)**	**(1 290)**	**112**	**-8,7%**

Source: Company

Table 22: GPW's share of profit / (loss) of associates

PLN'000	Six-month period ended		Change (H1 2016 vs H1 2015)	Change (%) (H1 2016 vs H1 2015)
	30 June 2016	30 June 2015		
KDPW S.A. Group	2 376	2 909	(533)	-18,3%
Centrum Giełdowe S.A.	143	279	(137)	-49,0%
Aquis Exchange Ltd	(2 532)	(3 312)	780	-23,6%
Total	**(14)**	**(124)**	**110**	**-88,7%**

Source: Company

INCOME TAX

Income tax of the Group was PLN 13.9 million in H1 2016 compared to PLN 15.2 million in H1 2015. The **effective income tax rate** in the periods under review was 18.7% and 18.8%, respectively, as compared to the standard Polish corporate income tax rate of 19%.

Income tax **paid** by the Group was PLN 13.0 million in H1 2016 compared to PLN 1.9 million in H1 2015.

V. Atypical factors and events

CHANGE OF THE SYSTEM OF FINANCING OF CAPITAL MARKET SUPERVISION

The Act of 12 June 2015 amending the Capital Market Supervision Act and certain other Acts has largely extended the list of entities required to finance supervision (by adding, among others, banks, insurers, investment funds, public companies, brokerage houses and foreign investment firms) and increased the amount of contributions of entities. As a result, the cost paid by GPW may be reduced significantly in 2016 and beyond compared to PLN 22.0 million in 2015. The Act was signed into law by the President of Poland on 31 July 2015 and promulgated in the Journal of Laws on 31 August 2015. The Regulation of the Minister of Finance which determines among others the calculation method as well as the terms and conditions of the payment of fees by relevant entities took effect as of 1 January 2016. At the same time, as of 1 January 2016, GPW reduced the transaction fees on trade in shares, allotment certificates and ETF units in the part charged on the value of an order up to PLN 100 thousand from 0.033% to 0.029% in order to transfer the savings resulting from the change of the structure of fees paid to PFSA in favour of market participants. The reduction of the fees paid to PFSA (approximately by half for the GPW Group compared to 2015) combined with the reduction of the trading fees offered by GPW will result in a commensurate decrease of both revenue and operating expenses of the GPW Group throughout 2016.

Following an amendment of regulations governing fees paid to cover the cost of supervision of the capital market and in view of the provisions of an interpretation of the International Financial Reporting Interpretations Committee (IFRIC 21), the GPW Group has decided to change the timing of recognition of liabilities in respect of fees due to PFSA and of charging the fees to costs. Previously, GPW recognised 1/12 of the annual fee due to PFSA in each month of the year. According to IFRIC 21, an entity recognises a liability for fees due to PFSA at the date of the obligating event. The obligating event is the fact of carrying out a business subject to fees due to PFSA as at 1 January of each year. Consequently, the estimated amount of the annual fees due to PFSA will be charged to the accounts of the GPW Group of the first quarter of each year.

As a result of the modified presentation of fees due to PFSA, the GPW Group's operating expenses in H1 2016 include the entire annual fee at PLN 11 million, recognised in Q1 2016. However, the GPW Group's operating expenses will not include the annual fee due to PFSA starting in Q2 2016, which will reduce them by approximately PLN 2.7 million per quarter compared to a steady distribution of the fees over the year. The modification is a purely presentational movement between different quarters. It will not affect the GPW Group's annual results. The same applies to the associate KDPW, impacting the GPW Group's share of profit of associates. KDPW's Q1 2016 profit includes the entire fee due to the PFSA in 2016 at PLN 9.3 million.

The Chairperson of the Polish Financial Supervision Authority publishes the rates and the indicators necessary to calculate the fees in a public communique promulgated in the Official Journal of the Polish Financial Supervision Authority by 31 August of each calendar year. On that basis, the entities obliged to pay the fee will calculate the final amount of the annual fee due for the year and pay the fee by 30 September of the calendar year.

VI. Group's assets and liabilities structure

The **balance-sheet total** of the Group was PLN 1.1 billion as at the end of H1 2016 compared to PLN 1.1 billion as at the end of H1 2015.

ASSETS

The Group's **non-current assets** stood at PLN 579.6 million representing 51% of total assets as at 30 June 2016 compared to PLN 580.6 million or 57% of total assets as at 31 December 2015 and PLN 572.3 million or 52% of total assets as at 30 June 2015. The Group's property, plant and equipment decreased modestly after the end of 2015 as a result of depreciation in GPW and TGE.

The Group's **current assets** stood at PLN 542.8 million representing 49% of total assets as at the end of H1 2016 compared to PLN 442.2 million or 43% of total assets as at the end of 2015 and PLN 519.7 million or 48% of total assets as at the end of H1 2015. The change in current assets after the end of 2015 was driven among others by the following factors:

- an increase of the TGE Group's cash by PLN 88.9 million, partly driven by a decrease of trade receivables and partly by generated cash flows from operating activities;
- an increase of GPW's cash by PLN 51.7 million generated from operating activities (while trade receivables were stable).

Table 23: Consolidated statement of financial position of GPW Group at the end of selected periods (assets)

	As at					
PLN'000	30 June 2016	%	31 December 2015	%	30 June 2015	%
Non-current assets	**579 574**	**51%**	**580 645**	**57%**	**572 263**	**52%**
Property, plant and equipment	121 539	11%	125 229	12%	112 059	10%
Intangible assets	258 057	23%	261 728	26%	265 565	24%
Investment in associates	191 412	17%	188 570	18%	190 057	17%
Deferred tax assets	3 041	0%	-	-	-	0%
Available-for-sale financial assets	290	0%	282	0%	204	0%
Non-current prepayments	5 235	0%	4 836	0%	4 378	0%
Current assets	**542 795**	**49%**	**442 170**	**43%**	**519 743**	**48%**
Inventory	73	0%	135	0%	133	0%
Corporate income tax receivables	234	0%	369	0%	77	0%
Trade and other receivables	40 730	4%	81 273	8%	61 380	6%
Available-for-sale financial assets	-	0%	-	0%	10 573	1%
Assets held for sale	-	0%	-	0%	807	0%
Other current financial assets	-	0%	-	0%	-	0%
Cash and cash equivalents	501 758	45%	360 393	35%	446 773	41%
Total assets	**1 122 369**	**100%**	**1 022 815**	**100%**	**1 092 006**	**100%**

Source: Condensed Consolidated Interim Financial Statements

EQUITY AND LIABILITIES

The **equity** of the Group stood at PLN 682.5 million representing 61% of the Group's total equity and liabilities as at the end of H1 2016 compared to PLN 721.3 million or 71% of total equity and liabilities as at the end of 2015 and PLN 664.0 million or 61% of total equity and liabilities as at the end of H1 2015.

Non-current liabilities of the Group stood at PLN 137.5 million representing 12% of the Group's total equity and liabilities as at the end of H1 2016 compared to PLN 258.8 million or 25% of total equity and liabilities as at the end of Q4 2015 and PLN 255.2 million or 23% of total equity and liabilities as at the end of H1 2015. Non-current liabilities of the Group include mainly liabilities of GPW under issued bonds. The decrease in non-current liabilities after the end of 2015 was due to the reclassification of liabilities in respect of issued series A and B bonds to current liabilities in view of their maturity date which falls on 2 January 2017.

Current liabilities of the Group stood at PLN 302.4 million representing 27% of the Group's total equity and liabilities as at the end of H1 2016 compared to PLN 42.7 million or 4% of total equity and liabilities as at the end of 2015 and PLN 172.7 million or 16% of total equity and liabilities as at the end of H1 2015. The liability under the bond issue increased after the end of 2015 following the reclassification of liabilities in respect of issued series A and B bonds to current liabilities in view of their maturity date which falls on 2 January 2017. Furthermore, the TGE Group's other current VAT liabilities increased due to the profile of its transactions, as so did its liability under dividend payments due to GPW. The increase of accruals and deferred income was driven by annual fees paid by issuers, which are booked in the first quarter of the year and recognised over time. Furthermore, accruals and deferred income increased following the recognition in Q1 2016 of the entire liability in respect of the annual fees due to the PFSA

Table 24: Consolidated statement of financial position of GPW Group at the end of selected periods (equity and liabilities)

PLN'000	As at					
	30 June 2016	%	31 December 2015	%	30 June 2015	%
Equity	**682 536**	**61%**	**721 267**	**71%**	**664 044**	**61%**
Share capital	63 865	6%	63 865	6%	63 865	6%
Other reserves	1 560	0%	1 455	0%	1 465	0%
Retained earnings	616 614	55%	655 401	64%	597 769	55%
Non-controlling interests	497	0%	546	0%	945	0%
Non-current liabilities	**137 461**	**12%**	**258 799**	**25%**	**255 246**	**23%**
Liabilities under bond issue	123 669	11%	243 800	24%	244 309	22%
Employee benefits payable	4 686	0%	4 046	0%	2 327	0%
Finance lease liabilities	58	0%	84	0%	113	0%
Deferred income tax liability	6 824	1%	10 869	1%	8 497	1%
Current liabilities	**302 372**	**27%**	**42 749**	**4%**	**172 716**	**16%**
Liabilities under bond issue	121 047	11%	682	0%	-	0%
Trade payables	6 288	1%	8 597	1%	19 634	2%
Employee benefits payable	10 379	1%	9 457	1%	9 584	1%
Finance lease liabilities	55	0%	55	0%	79	0%
Deferred income tax liability	10 920	1%	2 833	0%	7 130	1%
Accruals and deferred income	31 021	3%	7 263	1%	18 054	2%
Provisions for other liabilities and charges	649	0%	621	0%	1 282	0%
Other current liabilities	122 013	11%	13 241	1%	116 683	11%
Liabilities held for sale	-	0%	-	0%	270	-
Total equity and liabilities	**1 122 369**	**100%**	**1 022 815**	**100%**	**1 092 006**	**100%**

Source: Condensed Consolidated Interim Financial Statements

CASH FLOWS

The Group generated positive cash flows from **operating activities** at PLN 147.1 million in the first six months of 2016 compared to positive cash flows of PLN 64.9 million in the first six months of 2015. The higher cash flows from operating activities in H1 2016 were mainly driven by a decrease in receivables of TGE from statutory settlements resulting from VAT, as well as an increase in accruals and deferred income in GPW and TGE.

The cash flows from **investing activities** were negative at PLN 2.1 million in the first six months of 2016 compared to negative cash flows at PLN 3.4 million in H1 2015.

The cash flows from **financing activities** were negative at PLN 3.8 million in the first six months of 2016 compared to negative PLN 4.1 million in H1 2015. The negative cash flows mainly related to interest paid on issued bonds.

Table 25: Consolidated cash flows

	Cash flows for the six-month period ended 30 June	
PLN'000	2016	2015
Cash flows from operating activities	147 114	64 892
Cash flows from investing activities	(2 081)	(3 424)
Cash flows from financing activities	(3 797)	(4 087)
Net increase / (decrease) in cash	**141 236**	**57 381**
Impact of change of fx rates on cash balances in foreign currencies	*129*	*350*
Cash and cash equivalents - opening balance	**360 393**	**389 042**
Cash and cash equivalents - closing balance	**501 758**	**446 773**

Source: Condensed Consolidated Interim Financial Statements

CAPITAL EXPENDITURE

The Group's total capital expenditure in H1 2016 amounted to PLN 5.9 million including expenditure for property, plant and equipment at PLN 4.3 million and expenditure for intangible assets at PLN 1.6 million. By comparison, the Group's total capital expenditure in the first six months of 2015 amounted to PLN 6.9 million including expenditure for property, plant and equipment at PLN 2.6 million and expenditure for intangible assets at PLN 4.3 million.

The value of (contracted) future investment commitments of the Group was PLN 9.4 million as at 30 June 2016, including commitments for property, plant and equipment at PLN 1.0 million mainly for refurbishment of GPW premises, as well as commitments for intangible assets at PLN 8.4 million mainly for the following:

- Electronic Document Flow,
- Microsoft product licences in GPW,
- X-Stream Trading system in TGE,
- implementation of the financial and accounting system AX 2012 with new modules: consolidation and budgeting in GPW.

VII. Ratio analysis

DEBT AND FINANCING RATIOS

In the period under review, the debt of the Group posed no threat to its going concern and capacity to meet liabilities on time. The ratio of net debt to EBITDA remained negative in the periods under review as liquid assets of the GPW Group were greater than interest-bearing liabilities (net debt less than 0). The debt to equity ratio decreased moderately year on year in H1 2016 due to an increase in equity. The Group did not raise additional borrowed capital in the first six months of 2016.

LIQUIDITY RATIOS

The current liquidity ratio was 1.8 as at the end of H1 2016; its decrease was due to the reclassification of liabilities in respect of issued series A and B bonds to current liabilities. However, the ratio remains safe.

The coverage ratio of interest costs under the bond issue decreased modestly year on year in H1 2016 due to the Group's lower EBITDA. The Group generated cash flows from operating activities which were several times higher than necessary to cover current liabilities under the bond issue.

PROFITABILITY RATIOS

The profitability ratios decreased modestly year on year in H1 2016 due to a decrease of sales revenue. The lower level of return on assets (ROA) year on year in H1 2016 was due to higher average assets and a lower net profit of the Group in the last 12 months.

Table 26: Key financial indicators of GPW Group

		As at / For the six-month period ended	
		30 June 2016	30 June 2015
Debt and financing ratios			
Net debt / EBITDA	1), 2)	(3,1)	(2,3)
Debt to equity	3)	35,9%	36,8%
Liquidity ratios			
Current liquidity	4)	1,8	3,0
Coverage of interest on bonds	5)	22,3	23,5
Return ratios			
EBITDA margin	6)	54,0%	55,7%
Operating profit margin	7)	45,7%	47,9%
Net profit margin	8)	38,8%	39,5%
Cost / income	9)	54,1%	51,5%
ROE	10)	17,6%	17,6%
ROA	11)	10,7%	11,4%

1) Net debt = interest-bearing liabilities less liquid assets of GPW Group (as at balance-sheet date)

2) EBITDA = GPW Group operating profit + depreciation and amortisation (for a period of 6 months; net of the share of profit of associates)

3) Debt to equity = interest-bearing liabilities / equity (as at balance-sheet date)

4) Current liquidity = current assets / current liabilities (as at balance-sheet date)

5) Coverage of interest on bonds = EBITDA / interest on bonds (interest paid and accrued for a period of 6 months)

6) EBITDA margin = EBITDA / GPW Group revenue (for a period of 6 months)

7) Operating profit margin = GPW Group operating profit / GPW Group revenue (for a period of 6 months)

8) Net profit margin = GPW Group net profit / GPW Group revenue (for a period of 6 months)

9) Cost / income = GPW Group operating expenses / GPW Group revenue (for a period of 6 months)

10) ROE = GPW Group net profit (for a period of 12 months) / Average equity at the beginning and at the end of the last 12 month period

11) ROA = GPW Group net profit (for a period of 12 months) / Average total assets at the beginning and at the end of the last 12 month period

Source: Company

VIII. 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 GPW. As a result, the revenue of the Group is cyclical.

Trading in certificates of origin on TGE is subject to some seasonality. The volume of trade in property rights on the property rights market operated by TGE and the activity of participants of the register of certificates of origin are largely determined by the obligation imposed on energy companies which sell electricity to final consumers and have to cancel a certain quantity of certificates of origin in relation to the volume of electricity sold in the year. The percentage of certificates of origin which must be cancelled is fixed for every year in regulations of the Minister of the Economy.

According to the Energy Law applicable until April 2015, the obligation had to be performed until 31 March of the year following the year of the obligation. The Act of 20 February 2015 on renewable energy sources changed the deadlines, whereby green certificates of origin of renewable energy sources (or payment of a replacement fee) for the period from 1 January 2015 to 3 April 2015 was only possible until 31 March 2016. However, the obligation for the period from 4 April 2015 to 31 December 2015 was possible until 30 June 2016. In subsequent years, the entire obligation will be performed until 30 June. For cogeneration (red, yellow, and purple certificates), as of 2015, the obligation can also be performed by 30 June of the year for the previous year (previously: until 31 March). As a result, trading in the first half of the year is relatively higher than in the second half of the year.

The issuance of certificates of origin also intensifies in Q1 and in Q4 of each year. Certificates of origin are subject to mandatory cancellation within time limits set in the energy market regulations.

Trading in energy on the Commodity Derivatives Market operated by TGE 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 is 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.

IX. Other information

CONTINGENT LIABILITIES AND INVESTMENT COMMITMENTS

The GPW Group had no contingent liabilities or contingent assets as at 30 June 2016.

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 the first six months of 2016, GPW and the associates of GPW did not make any other significant transactions on terms other than at arm's length.

On 25 May 2016, the Ordinary General Meeting of BondSpot S.A. resolved to allocate PLN 2 million from the 2015 net profit for the payment of dividend to the shareholders. The dividend due to GPW according to the number of shares held at the date of the resolution was PLN 1,940.0 thousand. The dividend payment date is 19 July 2016.

On 22 June 2016, the Ordinary General Meeting of Centrum Giełdowe S.A. resolved to allocate PLN 606 thousand from the 2015 net profit for the payment of dividend to the shareholders. The dividend due to GPW is PLN 150 thousand. The dividend payment date is 30 June 2016.

On 10 June 2016, GPW and the other shareholders of Aquis signed an agreement concerning shares of Aquis Exchange Limited. Under the annex to the shareholders' agreement, GPW agreed to conditionally sell the entire package of Aquis shares held at GBP 37 per share. The call option may be exercised by Aquis shareholders upon a negative decision of GPW concerning an initial public offering (IPO) or a negative decision of GPW concerning potential restructuring of Aquis Exchange necessary to complete an IPO. The call option is valid until the end of November 2017 and then expires.

In H1 2016, Aquis Exchange Limited issued shares at GBP 18.50 per share, which is more than the price paid by GPW (GBP 13.02 per share). Following the share issue without the participation of GPW, GPW's share in Aquis measured by the number of shares decreased from 31.01% as at 31 December 2015 to 26.89% as at 30 June 2016. GPW's share in economic and voting rights decreased from 26.33% to 23.30%.

In May 2016, TGE granted a short-term loan of PLN 300 thousand to the subsidiary InfoEngine S.A. The purpose of the loan was to finance current activities of the company. The interest rate on the loan was 2,0% p.a. The loan was granted for a period ending on 31 March 2017.

DIVIDEND

On 22 June 2016, the Ordinary General Meeting of GPW resolved to pay out a dividend of PLN 99,054 thousand, including PLN 96,536 thousand to be paid from the profit of 2015 and the remainder, i.e. PLN 2,518 thousand, to be paid from reserves. The dividend per share is PLN 2.36. The dividend record date is 20 July 2016 and the dividend payment date is 4 August 2016.

The dividend due to the State Treasury is PLN 34,665 thousand.

GUARANTIES AND SURETIES GRANTED

The Group granted no guarantees and sureties in the first six months of 2016.

FEASIBILITY OF PREVIOUSLY PUBLISHED FORECASTS

The Group did not publish any forecasts of 2016 results.

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.

FACTORS WHICH WILL IMPACT THE RESULTS AT LEAST IN THE NEXT QUARTER

- as a result of the modified presentation of fees due to PFSA, the GPW Group's operating expenses in Q1 2016 include the entire fee at PLN 11,2 million. However, the GPW Group's operating expenses in subsequent quarters of the year will not include the annual fee due to PFSA, which will reduce them by approximately PLN 2.7 million per quarter compared to a steady distribution of the fees over the year. The modification is a purely presentational movement between different quarters. It will not affect the GPW Group's annual results. The same applies to the associate KDPW, impacting the GPW Group's share of profit of associates. KDPW's Q1 2016 profit includes the entire fee due to the PFSA in 2016 at PLN 9.3 million.
- the Markets in Financial Instruments Directive II (MiFID II) drafted by the European Commission, which imposes new requirements on financial institutions. The harmonisation of the trading system and activity of the GPW Group with those regulations will require some additional capital expenditures and operating expenses in 2016 – 2017. The GPW Group is analysing the necessary resources, expenses and business opportunities of the implementation of MiFID II.
- on 5 October 2015, the multilateral trading facility (MTF) Turquoise in London started to offer trade in Polish shares participating in WIG30. It cannot be ruled out that some investors will trade in shares of Polish companies on Turquoise.
- start of trade on the financial commodity market, which increases operating expenses and capital expenditure and should gradually increase revenue.
- the development of the financial instruments market on TGE: this will require IRGIT to obtain the status of central counterparty (CCP). IRGIT has to comply with capital requirements under the Commission Regulation on OTC derivatives, central counterparties and trade repositories (EMIR). In the opinion of the company, the capital requirements under EMIR are met and require no material capital increase.
- the Act of 20 February 2015 on renewable energy sources introduces as of 2016 a new system of support for the production of energy from renewable energy sources (RES) based on auctions. Under the Act, entities previously benefiting from support in the form of certificates of origin may switch to the auction system, which would have an adverse impact on volumes on the Property Rights Market and in the Register of Certificates of Origin. In addition, the Act narrows down the group of entities eligible for support in the form of green certificates (excluding large hydropower installations above 5 MW) and imposes restrictions on the issuance of certificates of origin for multi-fuel combustion plants, which may largely limit the number of property rights to green certificates of origin issued by the Register. Furthermore, the Energy Law requires energy companies which produce electricity and are entitled to compensation (to cover stranded costs) for early termination of long-term power and electricity sale contracts to "publicly" sell generated electricity. The number of entities subject to the formal obligation diminishes over time.
- investment projects implemented in subsequent quarters, including the implementation of the X-Stream trading system in TGE.

OTHER MATERIAL INFORMATION

On 12 January 2016 the General Meeting of the GPW has adopted a resolution to appoint Ms Małgorzata Zaleska as President of the Exchange Management Board.

The Polish Financial Supervision Authority ("PFSA") at its meeting on 9 February 2016 approved change on the Management Board of the GPW consisting in the appointment of Ms Małgorzata Zaleska as the President of the GPW Management Board. The change on the GPW Management Board took effect as of the date of delivery of the relevant decision of the PFSA to the GPW i.e. as of 10 February 2016.

Mr. Karol Półtorak, Vice-President of the GPW Management Board, resigned on 16 March 2016. The GPW Supervisory Board at its meeting on 16 March 2016 appointed Mr Paweł Dziekoński as

Vice-President of the GPW Management Board. The Polish Financial Supervision Authority at its meeting on 19 April 2016 approved the change on the Exchange Management Board through the appointment of Mr Paweł Dziekoński as Vice-President of the GPW Management Board. The change on the GPW Management Board is effective as of the delivery of the PFSA decision to the GPW, i.e., as of 20 April 2016.

On 23 May 2016, Mr Grzegorz Zawada, Vice President of the Management Board of GPW, resigned effective as of 23 May 2016. At its meeting on 23 May 2016, the Supervisory Board of GPW decided to appoint Mr Michał Cieciórski as Member of the Management Board of GPW.

In the opinion of the Company, in the first six months of 2016, there were no significant events or circumstances, other than those presented in this 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 position, financial results and capacity to meet obligations.

X. Appendices

Condensed Consolidated Interim Financial Statements for the six-month period ended 30 June 2016 and the auditor's review report

Condensed Separate Interim Financial Statements for the six-month period ended 30 June 2016 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 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2016 TO 30 JUNE 2016

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

Introduction

We have reviewed the accompanying 30 June 2016 condensed consolidated interim financial statements of the Giełda Papierów Wartościowych w Warszawie S.A. Group, with its parent company's registered office in Warsaw, ul. Książeca 4 ("the condensed consolidated interim financial statements"), which comprise:

- the consolidated statement of financial position as at 30 June 2016,
- the consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2016,
- the consolidated statement of changes in equity for the six-month period ended 30 June 2016,
- the consolidated statement of cash flows for the six-month period ended 30 June 2016, and
- notes to the interim financial statements.

Management of the parent company 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 International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as adopted by the National Council of Certified Auditors as the National Standard on Assurance 2410. 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 Assurance or 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 condensed consolidated interim financial statements of the Giełda Papierów Wartościowych w Warszawie S.A. Group as at 30 June 2016 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. Inflancka 4A,
00-189 Warsaw

Signed on the Polish original

....
Mirosław Matusik
Key Certified Auditor
Registration No. 90048
Limited Liability Partner with power of attorney

25 July 2016

Condensed Consolidated Interim
Financial Statements of

the Giełda Papierów Wartościowych w Warszawie S.A. Group

for the six-month period ended on 30 June 2016

July 2016

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(all amounts in PLN'000 unless stated otherwise)

I. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at	
		30 June 2016 *(unaudited)*	**31 December 2015**
Non-current assets		**579,574**	**580,645**
Property, plant and equipment	**3**	121,539	125,229
Intangible assets	**4**	258,057	261,728
Investment in associates	**5**	191,412	188,570
Deferred tax asset		3,041	-
Available-for-sale financial assets	**6**	290	282
Long-term prepayments		5,235	4,836
Current assets		**542,795**	**442,170**
Inventories		73	135
Corporate income tax receivable		234	369
Trade and other receivables	**7**	40,730	81,273
Cash and cash equivalents	**9**	501,758	360,393
TOTAL ASSETS		**1,122,369**	**1,022,815**

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

(all amounts in PLN'000 unless stated otherwise)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	As at 30 June 2016 *(unaudited)*	As at 31 December 2015
Equity		**682,536**	**721,267**
Equity of the shareholders of the parent entity		**682,039**	**720,721**
Share capital		63,865	63,865
Other reserves		1,560	1,455
Retained earnings		616,614	655,401
Non-controlling interests		**497**	**546**
Non-current liabilities		**137,461**	**258,799**
Liabilities on bonds issue	**10**	123,669	243,800
Employee benefits payable		4,686	4,046
Finance lease liabilities		58	84
Deferred tax liability		6,824	10,869
Other liabilities		2,224	-
Current liabilities		**302,372**	**42,749**
Liabilities on bonds issue	**10**	121,047	682
Trade payables		6,288	8,597
Employee benefits payable		10,379	9,457
Finance lease liabilities		55	55
Corporate income tax payable		10,920	2,833
Accruals and deferred income	**11**	31,021	7,263
Provisions for other liabilities and charges		649	621
Other liabilities		122,013	13,241
TOTAL EQUITY AND LIABILITIES		**1,122,369**	**1,022,815**

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

(all amounts in PLN'000 unless stated otherwise)

II. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Three-month period ended		Six-month period ended	
		30 June 2016 *(unaudited)*	30 June 2015 *(unaudited)*	30 June 2016 *(unaudited)*	30 June 2015 *(unaudited)*
Revenue		74,461	77,171	155,492	165,338
Operating expenses		(38,026)	(45,047)	(84,148)	(85,137)
Other income		100	172	344	859
Other expenses		(46)	(1,146)	(610)	(1,798)
Operating profit		**36,489**	**31,150**	**71,078**	**79,262**
Financial income		5,246	4,406	7,209	6,081
Financial expenses		(2,022)	(2,153)	(4,097)	(4,678)
Share of profit/ (loss) of associates	**5**	1,354	(336)	(14)	(124)
Profit before income tax		**41,067**	**33,069**	**74,176**	**80,541**
Income tax expense	**12**	(7,127)	(6,094)	(13,898)	(15,166)
Profit for the period		**33,940**	**26,975**	**60,278**	**65,375**
Net change of fair value of available-for-sale financial assets		-	*(103)*	-	*(184)*
Effective portion of change of fair value of cash flow hedges		*156*	*111*	*163*	*29*
Gains / (losses) on valuation of available-for-sale financial assets of associates		*(77)*	*(360)*	*(58)*	*(325)*
Income to be reclassified as gains or losses		79	(353)	105	(480)
Actuarial gains / (losses) on provisions for employee benefits after termination		-	-	-	*14*
Income not to be reclassified as gains or losses		-	-	-	14
Other comprehensive income after tax		**79**	**(353)**	**105**	**(465)**
Total comprehensive income		**34,019**	**26,622**	**60,383**	**64,910**
Profit for the period attributable to shareholders of the parent entity		*33,936*	*26,948*	*60,267*	*65,295*
Profit for the period attributable to non-controlling interests		*4*	*27*	*11*	*80*
Total profit for the period		33,940	26,975	60,278	65,375
Comprehensive income attributable to shareholders of the parent entity		*34,015*	*26,595*	*60,372*	*64,830*
Comprehensive income attributable to non-controlling interests		*4*	*27*	*11*	*80*
Total comprehensive income		34,019	26,622	60,383	64,910
Basic / Diluted earnings per share (PLN)		**0.81**	**0.64**	**1.44**	**1.56**

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

(all amounts in PLN'000 unless stated otherwise)

III. CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Six-month period ended	
		30 June 2016 *(unaudited)*	30 June 2015 *(unaudited)*
Cash flows from operating activities:		**147,114**	**64,892**
Cash generated from operation before tax		160,076	66,762
Net profit of the period		60,278	65,375
Adjustments:		99,798	1,387
Income tax		13,898	15,166
Depreciation of property, plant and equipment	**3**	7,066	7,106
Amortisation of intangible assets	**4**	5,845	5,708
Foreign exchange (gains)/losses		(129)	(350)
(Profit) / Loss on sale of property, plant and equipment and intangible assets		14	402
Financial (income) / expense of available-for-sale financial assets		-	(297)
Gains on dilution of shares in an associate		(3,064)	(2,753)
Income from interest on deposits		(3,334)	(3,000)
Interest, cost and premium on issued bonds		4,003	4,151
Net change of provisions for other liabilities and charges		28	(66)
Change of long-term prepayments		(399)	(760)
Share of (profit)/loss of associates		14	124
Other		366	(126)
Change in current assets and liabilities:		75,490	(23,918)
(Increase) / Decrease of inventories		*62*	*(13)*
(Increase) / Decrease of trade and other receivables		*40,543*	*(18,785)*
Increase / (Decrease) of trade payables		*(88)*	*6,330*
Increase / (Decrease) of employee benefits payable		*1,562*	*(3,561)*
Increase / (Decrease) of accruals and deferred income		*23,758*	*12,939*
Increase / (Decrease) of other liabilities (net of dividend payable)		*9,653*	*(20,828)*
Income tax (paid)/refunded		(12,962)	(1,870)

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

(all amounts in PLN'000 unless stated otherwise)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Note	Six-month period ended 30 June 2016 *(unaudited)*	Six-month period ended 30 June 2015 *(unaudited)*
Cash flows from investing activities:		**(2,081)**	**(3,424)**
Purchase of property, plant and equipment		(4,289)	(2,592)
Purchase of intangible assets		(1,629)	(4,278)
Proceeds from sale of property, plant and equipment and intangible assets		353	95
Interest received		3,334	3,000
Dividend received		150	352
Cash flows from financing activities:		**(3,797)**	**(4,087)**
Interest paid		(3,770)	(3,920)
Paid finance leases		(27)	(167)
Net (decrease) / increase in cash and cash equivalents		**141,236**	**57,381**
Impact of fx rates on cash balance in currencies		*129*	*350*
Cash and cash equivalents - opening balance		**360,393**	**389,042**
Cash and cash equivalents - closing balance		**501,758**	**446,773**

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

(all amounts in PLN'000 unless stated otherwise)

IV. 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 2015	**63,865**	**1,455**	**655,401**	**720,721**	**546**	**721,267**
Dividends	-	-	(99,054)	(99,054)	(60)	**(99,114)**
Transactions with owners recognised directly in equity	**-**	**-**	**(99,054)**	**(99,054)**	**(60)**	**(99,114)**
Profit for the six-month period ended 30 June 2016	-	-	60,267	60,267	11	**60,278**
Other comprehensive income	-	105	-	105	-	**105**
Total comprehensive income for the six-month period ended 30 June 2016	**-**	**105**	**60,267**	**60,372**	**11**	**60,383**
As at 30 June 2016 *(unaudited)*	**63,865**	**1,560**	**616,614**	**682,039**	**497**	**682,536**

	Attributable to the shareholders of the parent entity				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total		
As at 31 December 2014	**63,865**	**1,930**	**633,555**	**699,350**	**1,116**	**700,466**
Acquisition of non-controlling interests	-	-	(1,074)	**(1,074)**	(637)	**(1,711)**
Dividends	-	-	(100,733)	**(100,733)**	-	**(100,733)**
Transactions with owners recognised directly in equity	**-**	**-**	**(101,807)**	**(101,807)**	**(637)**	**(102,444)**
Profit for the year ended 31 December 2015	-	-	123,652	**123,652**	67	**123,719**
Other comprehensive income	-	(475)	-	**(475)**	-	**(475)**
Total comprehensive income for the year ended 31 December 2015	**-**	**(475)**	**123,652**	**123,177**	**67**	**123,244**
As at 31 December 2015	**63,865**	**1,455**	**655,401**	**720,721**	**546**	**721,267**

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

(all amounts in PLN'000 unless stated otherwise)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Attributable to the shareholders of the parent entity				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total		
As at 31 December 2014	**63,865**	**1,930**	**633,555**	**699,350**	**1,116**	**700,466**
Acquisition of non-controlling interests	-	-	(365)	**(365)**	(251)	**(615)**
Dividends	-	-	(100,733)	**(100,733)**	-	**(100,733)**
Transactions with owners recognised directly in equity	**-**	**-**	**(101,098)**	**(101,098)**	**(251)**	**(101,348)**
Profit for the six-month period ended 30 June 2015	-	-	65,295	**65,295**	80	**65,375**
Other comprehensive income	-	(465)	-	**(465)**	-	**(465)**
Total comprehensive income for the six-month period ended 30 June 2015	**-**	**(465)**	**65,295**	**64,830**	**80**	**64,910**
Other changes in equity	**-**	**-**	**16**	**16**	**-**	**16**
As at 30 June 2015 *(unaudited)*	**63,865**	**1,465**	**597,769**	**663,099**	**945**	**664,044**

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

V. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. General

1.1. Legal status and scope of operations 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", "GPW", "the Company" or "parent entity") with its registered office in Warsaw, ul. Książęca 4. The Company was established by Notarial Deed on 12 April 1991 and registered in the Commercial Court in Warsaw on 25 April 1991, entry no. KRS 0000082312, VAT no. 526-025-09-72, Regon 012021984. GPW has been listed on GPW's 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 Group 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:

- **GPW 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 GPW and BondSpot);
- **Treasury BondSpot Poland** (wholesale trade in Treasury bonds operated by BondSpot).

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

- **Energy Markets** (trade in electricity on the 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 and Day-Ahead Market and the Commodity Forward Instruments Market),
- **Property Rights Market** (trade in property rights in certificates of origin of electricity),
- **CO_2 Emission Allowances Market** (trade in CO_2 emission allowances),
- **OTC (Over-the-Counter) commodity trade platform** (complements the offer with OTC commodity trade in electricity, energy biomass and property rights in certificates of origin).

On 23 February 2015, PolPX received a decision of the Minister of Finance authorising PolPX to operate an exchange and start trade on the Financial Instruments Market. The Financial Instruments Market opened on 4 November 2015.

The GPW Group also operates:

- **Clearing House and Settlement System** (performing the functions of an exchange settlement system for transactions in exchange-traded commodities),
- **Trade Operator and Balancing Entity services** – both types of services are offered by InfoEngine S.A., balancing involves the submission of power sale contracts for execution and clearing of non-balancing with the grid operator (differences between actual power production or consumption and power sale contracts accepted for execution).

GPW is also present in Ukraine through the Warsaw Stock Exchange Representation Office and in London through an appointed permanent representative of GPW 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

The Condensed Consolidated Interim Financial Statements were authorised for issuance by the Management Board of the parent entity on 25 July 2016.

1.3. Composition and activity of the Group

The Warsaw Stock Exchange and its following subsidiaries:

- Towarowa Giełda Energii S.A. Group ("Polish Power Exchange Group");
- BondSpot S.A. ("BondSpot"),
- GPW Centrum Usług S.A. ("GPW CU"), formerly WSE Services S.A.,
- Instytut Analiz i Ratingu S.A. ("IAiR")

comprise the Warsaw Stock Exchange Group.

The following are the associates over which the Group exerts significant influence:

- KDPW S.A. Group ("KDPW"),
- Centrum Giełdowe S.A. ("CG"),
- Aquis Exchange Limited ("Aquis").

2. Basis of preparation of the financial statements

These Condensed Consolidated Interim Financial Statements of the Giełda Papierów Wartościowych w Warszawie S.A. Group have been prepared according to the International Accounting Standard 34 "Interim Financial Reporting" approved by the European Union.

In the opinion of the Management Board of the parent entity, in the notes to the Condensed Consolidated Interim Financial Statements of the Giełda Papierów Wartościowych w Warszawie S.A. Group ("Group"), GPW included all material information necessary for the proper assessment of the assets and the financial position of the Group as at 30 June 2016 and its financial results in the period from 1 January 2016 to 30 June 2016.

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 GPW's ability to continue operations.

The Group has prepared the Condensed Consolidated Interim Financial Statements in accordance with the same accounting policies as those described in the audited Financial Statements for the year ended 31 December 2015 other than for changes described below. The Condensed Consolidated Interim Financial

(all amounts in PLN'000 unless stated otherwise)

Statements for the six-month period ended 30 June 2016 should be read in conjunction with the audited Consolidated Financial Statements for the year ended 31 December 2015.

The following interpretations and amendments of existing standards adopted by the European Union are effective for the financial statements of the Group for the financial year started on 1 January 2016:

1) Amendments to IFRS 11 Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations;
2) Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation;
3) Improvements to IFRS (2012-2014);
4) Amendments to IAS 1 Presentation of Financial Statements – Disclosure initiative;
5) Amendments to IAS 27 Separate Financial Statements - Equity Method in Separate Financial Statements.

According to the Group's assessment, these interpretations and amendments to the standards have no material 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 audited Consolidated Financial Statements as at 31 December 2015, other than the judgements concerning fees covering the cost of capital market supervision described in Note 13.1.

3. Property, plant and equipment

Table 1: Change of the net carrying value of property, plant and equipment by category

	Period of	
	6 months ended 30 June 2016 *(unaudited)*	**12 months ended 31 December 2015**
Net carrying value - opening balance	**125,229**	**119,762**
Additions	4,289	23,813
Reclassification	(548)	(2,655)
Other adjustments	-	78
Disposals	(365)	(773)
Depreciation charge	(7,066)	(14,996)
Net carrying value - closing balance	**121,539**	**125,229**

Contracted investment commitments for property, plant and equipment were PLN 1,008 thousand as at 30 June 2016, including mainly restructuring of GPW offices.

Contracted investment commitments for property, plant and equipment were PLN 1,094 thousand as at 31 December 2015, including mainly restructuring of GPW offices.

(all amounts in PLN'000 unless stated otherwise)

4. Intangible assets

Table 2: Change of the net carrying value of intangible assets by category

	Period of	
	6 months ended 30 June 2016 *(unaudited)*	**12 months ended 31 December 2015**
Net carrying value - opening balance	**261,728**	**261,019**
Additions	1,629	10,315
Reclassification	545	2,655
Impairment	-	(93)
Disposals	-	(327)
Amortisation charge	(5,845)	(11,841)
Net carrying value - closing balance	**258,057**	**261,728**

Contracted investment commitments for intangible assets amounted to PLN 8,352 thousand as at 30 June 2016 and related mainly to:

- Electronic Document Flow;
- Microsoft product licences in GPW;
- X-Stream Trading system in PolPX;
- implementation of the financial and accounting system AX 2012 with the new consolidation and budgeting modules in GPW.

Contracted investment commitments for intangible assets amounted to PLN 13,884 thousand as at 31 December 2015 and related mainly to:

- UTP-Derivatives systems;
- Electronic Document Flow;
- Microsoft product licences in GPW;
- X-Stream Trading system in PolPX;
- implementation of the financial and accounting system AX 2012 with the new consolidation and budgeting modules in GPW Centrum Usług S.A.

5. Investment in associates

As at 30 June 2016, the parent entity held interest in the following associates:

- KDPW S.A. Group;
- Centrum Giełdowe S.A.;
- Aquis Exchange Limited.

(all amounts in PLN'000 unless stated otherwise)

Table 3: Carrying value of share of profit of associates

	As at	
	30 June 2016 *(unaudited)*	**31 December 2015**
KDPW S.A. Group	159,683	157,365
Centrum Giełdowe S.A.	16,253	16,261
Aquis Exchange Limited	15,476	14,944
Total	**191,412**	**188,570**

Table 4: Change of the value of investment in associates

	As at/Period of	
	6 months ended 30 June 2016 *(unaudited)*	**12 months ended 31 December 2015**
Opening balance	**188,570**	**188,104**
Gains on dilution of shares of Aquis Exchange Limited	3,064	2,754
Dividends	(150)	(352)
Share of profit/ (loss) after tax	(14)	(1,530)
Share in other comprehensive income	(58)	(405)
Closing balance	**191,412**	**188,570**

On 10 June 2016, GPW and the other shareholders of Aquis signed an agreement concerning shares of Aquis Exchange Limited. Under the annex to the shareholders' agreement, GPW agreed to conditionally sell the entire package of Aquis shares held at GBP 37 per share. The call option may be exercised by Aquis shareholders upon a negative decision of GPW concerning an initial public offering (IPO) or a negative decision of GPW concerning potential restructuring of Aquis Exchange necessary to complete an IPO. The call option is valid until the end of November 2017 and then expires.

In H1 2016, Aquis Exchange Limited issued shares at GBP 18.50 per share, which is more than the price paid by GPW (GBP 13.02 per share). Following the share issue without the participation of GPW, GPW's share in Aquis measured by the number of shares decreased from 31.01% as at 31 December 2015 to 26.89% as at 30 June 2016. GPW's share in economic and voting rights decreased from 26.33% to 23.30%.

(all amounts in PLN'000 unless stated otherwise)

6. Available-for-sale financial assets

Table 5: Available-for-sale financial assets

	As at	
	30 June 2016 *(unaudited)*	31 December 2015
Opening balance	**282**	**10,710**
Discount and interest	-	(625)
Disposals (sale/redemption of bonds, shares)	-	(10,000)
Reclassified on sale of a controlling interest in a subsidiary	-	487
Change in fair value - recognised in total comprehensive income:	8	(291)
shares	*8*	*(413)*
Treasury bonds and bills	*-*	*122*
Closing balance	**290**	**282**

Table 6: Fair value hierarchy

	As at 30 June 2016 *(unaudited)*					
	Carrying value	Fair value	Fair value hierarchy			
			Level 1	Level 2	Level 3	Total
Sibex	213	213	213	-	-	**213**
InfoStrefa	77	77	-	-	77	**77**
Total equity financial assets	**290**	**290**	**213**	**-**	**77**	**290**
Total	**290**	**290**	**213**	**-**	**77**	**290**

(all amounts in PLN'000 unless stated otherwise)

7. Trade and other receivables

Table 7: Trade and other receivables

	As at	
	30 June 2016 *(unaudited)*	**31 December 2015**
Gross trade receivables	*33,110*	*39,164*
Impairment allowances for receivables	*(2,075)*	*(1,716)*
Total trade receivables	**31,035**	**37,448**
Short-term prepayments	6,677	4,203
Other receivables and advance payments	531	1,655
Receivables in respect of tax settlements	2,487	37,967
Total other receivables	**9,695**	**43,825**
Total trade and other receivables	**40,730**	**81,273**

8. Provisions and impairment losses for assets

In the period from 1 January 2016 to 30 June 2016, impairment losses for assets were adjusted as follows:

- impairment allowances for receivables: an increase of PLN 359 thousand (provision additions of PLN 589 thousand, releases of PLN 147 thousand, receivables written off as unenforceable PLN 83 thousand).

Furthermore, in the period from 1 January 2016 to 30 June 2016, there were the following changes in estimates relating to provisions:

- litigation and other provisions were increased by PLN 28 thousand;
- provisions against employee benefits (mainly annual bonuses) were increased by PLN 1,562 thousand (releases of PLN 239 thousand, usage of PLN 4,646 thousand, provision additions of PLN 6,447 thousand).

9. Cash and cash equivalents

Table 8: Cash and cash equivalents

	As at	
	30 June 2016 *(unaudited)*	**31 December 2015**
Cash	12	4
Current accounts	261,620	123,066
Bank deposits	240,126	237,323
Total cash and cash equivalents	**501,758**	**360,393**

(all amounts in PLN'000 unless stated otherwise)

10. Bond issue liabilities

Table 9: Bond issue liabilities

	As at	
	30 June 2016 (unaudited)	31 December 2015
Liabilities under bond issue - non-current:	**123,669**	**243,800**
Series A and B bonds	-	120,257
Series C bonds	123,669	123,543
Liabilities under bond issue - current:	**121,047**	**682**
Series A and B bonds	120,371	-
Series C bonds	676	682
Total liabilities under bond issue	**244,716**	**244,482**

Series A and B bonds

On 5 December 2011, the GPW Management Board adopted a resolution concerning an issue of series A and B bearer bonds. The goal of the issue was to finance GPW'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 thousand addressed only to qualified investors took place on 23 December 2011.

Series B bonds with a nominal value of PLN 75,000 thousand 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 GPW 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 GPW 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 redemption date of the series A and B bonds is 2 January 2017. Series A and B bonds were partly redeemed before maturity in October 2015 in the nominal amount of PLN 124,516 thousand.

Series C bonds

On 6 October 2015, GPW issued 1,250,000 series C bearer bonds in a total nominal amount of PLN 125,000 thousand. The nominal amount and the issue price was PLN 100 per bond. The receipts from the issue were used for a partial redemption of series A and B bonds. The series C bonds bear interest at a fixed rate of 3.19 percent per annum. Interest on the bonds is paid semi-annually. The bonds are due for redemption on 6 October 2022 against the payment of the nominal value to the bond holders.

The series C bonds have been introduced to the alternative trading system on Catalyst.

(all amounts in PLN'000 unless stated otherwise)

11. Accruals and deferred income

Table 10: Accruals and deferred income

	As at	
	30 June 2016 *(unaudited)*	31 December 2015
Total financial market	15,030	-
Total commodity market	2,913	4,461
Other income	170	286
Deferred income	**18,113**	**4,747**
Accruals*	**12,908**	**2,516**
Total accruals and deferred income	**31,021**	**7,263**

* *As at 30 June 2016: PLN 11,083 thousand of provisions for fees due to PFSA.*

Accruals and deferred income of the financial market and the commodity market include annual and quarterly fees payable by market participants.

12. Income tax

Table 11: Income tax by current and deferred tax

	Three-month period ended		Six-month period ended	
	30 June 2016 *(unaudited)*	30 June 2015 *(unaudited)*	30 June 2016 *(unaudited)*	30 June 2015 *(unaudited)*
Current income tax	6,776	4,783	21,022	16,211
Deferred tax	351	1,311	(7,124)	(1,045)
Total income tax	**7,127**	**6,094**	**13,898**	**15,166**

As required by the Polish tax regulations, the tax rate applicable in 2016 and 2015 is 19%.

(all amounts in PLN'000 unless stated otherwise)

Table 12: Reconciliation of the theoretical amount of tax arising from profit before tax and the statutory tax rate with the income tax expense presented in the statement of comprehensive income

	Three-month period ended		Six-month period ended	
	30 June 2016 *(unaudited)*	**30 June 2015** *(unaudited)*	**30 June 2016** *(unaudited)*	**30 June 2015** *(unaudited)*
Profit before income tax	41,067	33,069	74,176	80,541
Income tax rate	19%	19%	19%	19%
Income tax at the statutory tax rate	**7,803**	**6,283**	**14,093**	**15,303**
Tax effect:	**(676)**	**(189)**	**(195)**	**(137)**
Non-tax-deductible expenses	71	110	209	74
Additional taxable income	-	-	6	-
Dividend income free from taxation	(582)	(523)	(582)	(523)
Tax losses of subsidiaries not recognised in deferred tax	74	143	149	288
Share of profit of associates free from taxation	(257)	64	3	24
Other adjustments	19	17	20	-
Total income tax	**7,127**	**6,094**	**13,898**	**15,166**

13. Related party transactions

Related parties of the Group include its associates (KDPW S.A. Group, Centrum Giełdowe S.A. and Aquis Exchange Limited) and the State Treasury as the parent entity (holding 35.00% of the share capital and 51.76% of the total number of voting rights as at 31 March 2016), entities controlled and jointly controlled by the State Treasury and entities on which the State Treasury has significant influence. Furthermore, related parties include the key management personnel of the Group.

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

The Group keeps no records which would clearly identify and aggregate transactions with all entities which are related parties of the State Treasury.

Companies with a stake held by the State Treasury

Companies with a stake held by the State Treasury, with which the parent entity enters into transactions, include issuers (from which GPW charges introduction and listing fees) and Exchange Members (from which GPW charges fees for access to trade on the exchange market, fees for access to the GPW IT systems, and fees for trade in financial instruments).

Of the biggest clients of the parent entity, Powszechna Kasa Oszczędności Bank Polski S.A. was the only entity with a stake held by the State Treasury with which GPW entered into individually material transactions, identified on the basis of a list of companies supervised by the Ministry of Treasury as published by the Ministry of Treasury. The total sale to that company was PLN 4,428 thousand in the six-month period ended on 30 June 2016 and PLN 5,938 thousand in the six-month period ended on 30 June 2015.

Companies with a stake held by the State Treasury, with which PolPX and WCCH enter into transactions, include members of the markets operated by PolPX and members of the Clearing House. Fees are charged from such entities for participation and for trade on the markets operated by PolPX, for issuance and cancellation of property rights in certificates of origin, and for clearing.

Of the biggest clients of the PolPX Group, the following companies with a stake held by the State Treasury entered individually into material transactions with the PolPX Group: Polskie Górnictwo Naftowe i Gazownictwo S.A. (Polish Oil and Gas Company, "PGNiG"). The total revenue of PolPX and WCCH from PGNiG was PLN 6,442 thousand in the six-month period ended on 30 June 2016 and PLN 4,837 thousand in the three-month period ended on 30 June 2015. PGNiG is a participant of the markets operated by PolPX and a member of WCCH.

No other companies with a stake held by the State Treasury which entered into individually or collectively material transactions with the Group were identified among suppliers of the Group.

All trade transactions with entities with a stake held by the State Treasury are concluded in the normal course of business and are carried out on an arm's length basis. According to the Group's estimates, the individual and aggregate impact of other trade transactions with entities with a stake held by the State Treasury was immaterial in the six-month period ended on 30 June 2016.

In accordance with the Polish law, the Group's companies are subject to tax obligations. Hence, they pay tax to the State Treasury, which is a related party. The rules and regulations applicable to the Group's companies in this regard are the same as those applicable to other entities which are not related parties.

(all amounts in PLN'000 unless stated otherwise)

Polish Financial Supervision Authority

The Act of 12 June 2015 amending the Capital Market Supervision Act and certain other Acts has largely extended the list of entities required to finance supervision and increased the amount of contributions of entities. The Regulation of the Minister of Finance which determines among others the calculation method as well as the terms and conditions of the payment of fees by relevant entities took effect as of 1 January 2016. As a result, the cost paid by the GPW Group will be reduced significantly in 2016 and beyond compared to PLN 22.0 million in 2015.

Following these amendments of regulations, the GPW Group has decided in 2016 to change the timing of recognition of liabilities in respect of fees due to PFSA and of charging the fees to costs. Previously, the GPW Group recognised 1/12 of the annual fee due to PFSA in each month of the year. Starting in 2016, the estimated amount of the entire annual fee due to PFSA is charged to the accounts of the GPW Group of the first quarter of each year.

As a result of the change in the presentation of the fee due to PFSA, the GPW Group's operating expenses in H1 2016 include an annual fee of PLN 11.1 million. The fees in the first six months 2015 stood at PLN 11.1 million.

Details about the changes of fees due to PFSA are presented in the GPW Group's financial statements for the three-month period ended on 31 March 2016.

13.2. Transactions with associates

Table 13: Transactions of GPW Group companies with associates

	As at 30 June 2016 *(unaudited)*		Three-month period ended 30 June 2016 *(unaudited)*		Six-month period ended 30 June 2016 *(unaudited)*	
	Receivables	Liabilities	Sales revenue	Operating expenses	Sales revenue	Operating expenses
KDPW S.A. Group	-	1	-	3	-	5
Centrum Giełdowe S.A.	-	-	-	134	45	216
Aquis Exchange Limited	7	-	7	-	15	-
Total	**7**	**1**	**7**	**137**	**60**	**221**

Table 14: Transactions of GPW Group companies with associates

	As at 31 December 2015		Three-month period ended 30 June 2015 *(unaudited)*		Six-month period ended 30 June 2015 *(unaudited)*	
	Receivables	Liabilities	Sales revenue	Operating expenses	Sales revenue	Operating expenses
KDPW S.A. Group	1	1	43	7	43	10
Centrum Giełdowe S.A.	-	146	-	301	-	611
Aquis Exchange Limited	7	-	-	-	-	-
Total	**8**	**147**	**43**	**308**	**43**	**621**

During the first six months of 2016 and 2015, there were no write-offs or material impairment allowances created for receivables from associates.

(all amounts in PLN'000 unless stated otherwise)

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

In 2015 and 2016, GPW also concluded transactions with the Książęca 4 Street Housing Cooperative of which it is a member. The expenses amounted to PLN 1,709 thousand in the first six months of 2016 and PLN 1,851 thousand in the first six months of 2015.

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

The management personnel of the Group includes the Exchange Management Board and the Exchange Supervisory Board. The data presented in the table below are for all (current and former) members of the Exchange Management Board and the Exchange Supervisory Board who were in office in 2015 and 2016, respectively.

The table does not present social security contributions paid by the employer.

Table 15: Remuneration and benefits to the key management personnel of the Group

	Three-month period ended 30 June *(unaudited)*		**Six-month period ended 30 June** *(unaudited)*	
	2016	**2015**	**2016**	**2015**
Base salary	833	867	1,650	1,734
Holiday leave equivalent	53	-	80	-
Bonus - Bonus Bank	119	161	259	438
Bonus - one-off payment	88	121	173	329
Bonus - phantom shares	88	121	146	329
Other benefits	17	32	50	77
Benefits after termination	125	299	180	629
Total remuneration of the Exchange Management Board	**1,323**	**1,601**	**2,538**	**3,536**
Remuneration of the Exchange Supervisory Board	**124**	**130**	**257**	**267**
Total remuneration of the key management personnel	**1,447**	**1,731**	**2,795**	**3,803**

14. Dividend

On 22 June 2016, the Ordinary General Meeting of GPW resolved to distribute the Company's profit of 2015, including an allocation of PLN 99,054 thousand to the payment of a dividend. The dividend per share is PLN 2.36. The dividend record date is 20 July 2016 and the dividend payment date is 4 August 2016.

The liability in respect of the dividend payment was presented in the Company's other current liabilities as at 30 June 2016. The dividend due to the State Treasury is PLN 34,665 thousand.

15. Seasonality

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

16. 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 key decision makers who are responsible for allocation of the resources to the segments and assessment of 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 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 revenue from trading fees which depends on turnover on the exchange, fees for access to exchange systems);
- Listing (revenue from annual securities listing fees and one-off fees, e.g., for introduction of securities to trading on the exchange);
- Information services (mainly revenue from information services for data vendors, historical data).

The Financial Market segment includes the companies GPW and BondSpot.

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 Warsaw Commodity Clearing House ("WCCH") and offers exchange trade in commodities (electricity, gas) and operates the Register of Certificates of Origin of electricity through the company PolPX. The GPW Group also earns revenues from the activity of a trade operator on the electricity market.

The Commodity Market includes the following sub-segments:

- Trading (mainly revenue on the Energy Market from spot and forward transactions in electricity, revenue from spot and forward transactions in natural gas, revenue on the Property Rights Market from trade in certificates of origin of electricity);
- Operation of the Register of Certificates of Origin of electricity (mainly revenue from issuance and cancellation of 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)).

The Commodity Market segment includes the PolPX Group.

3) The segment **Other** includes the companies IAiR and GPW Centrum Usług.

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

(all amounts in PLN'000 unless stated otherwise)

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 business segments are set at arm's length, as for transactions with non-related parties.

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

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.

Table 16: Business segments: Revenue

	Six-month period ended 30 June 2016 *(unaudited)*				
	Financial Market	Commodity Market	Other	Exclusions and adjustments	Total GPW Group
Sales to external clients	87,984	67,508	-	-	**155,492**
Sales between segments and intra-Group transactions	664	103	144	(911)	**-**
Sales revenues	**88,648**	**67,611**	**144**	**(911)**	**155,492**

Table 17: Business segments: Statement of comprehensive income

	Six-month period ended 30 June 2016 *(unaudited)*				
	Financial Market	Commodity Market	Other	Exclusions and adjustments	Total GPW Group
Sales revenues	88,648	67,611	144	(911)	155,492
Operation expenses	(60,010)	(24,611)	(441)	915	(84,148)
incl. depreciation and amortisation	*(10,330)*	*(2,484)*	*(97)*	-	*(12,911)*
Profit/(loss) on sales	**28,638**	**43,000**	**(297)**	**4**	**71,344**
Profit / (loss) on other operations	(380)	109	44	(39)	(266)
Operating profit / (loss)	**28,258**	**43,109**	**(253)**	**(35)**	**71,078**
Profit / (loss) on financial operations, incl.	1,124	994	20	974	3,112
interest income	*2,395*	*919*	*20*	-	*3,334*
interest expenses	*3,766*	*2*	-	-	*3,768*
Share of profit/ (loss) of associates	-	-	-	(14)	(14)
Profit before income tax	**29,382**	**44,103**	**(233)**	**925**	**74,176**
Income tax expense	(5,327)	(8,571)	-	-	(13,898)
Profit for the period	**24,055**	**35,532**	**(233)**	**925**	**60,278**

(all amounts in PLN'000 unless stated otherwise)

Table 18: Business segments: Statement of financial position

	As at 30 June 2016 *(unaudited)*				
	Financial Market	Commodity Market	Other	Exclusions and adjustments	Total GPW Group
Total assets	801,360	252,780	3,074	65,155	1,122,369
Total liabilities	404,242	37,726	256	(2,391)	439,833
Net assets (assets less liabilities)	**397,118**	**215,054**	**2,818**	**67,546**	**682,536**

Table 19: Business segments: Revenue

	Six-month period ended 30 June 2015 *(unaudited)*				
	Financial Market	Commodity Market	Other	Exclusions and adjustments	Total GPW Group
Sales to external clients	100,246	64,567	526	-	**165,338**
Sales between segments and intra-Group transactions	764	51	270	(1,085)	**-**
Sales revenues	**101,010**	**64,618**	**796**	**(1,085)**	**165,338**

(all amounts in PLN'000 unless stated otherwise)

Table 20: Business segments: Statement of comprehensive income

	Six-month period ended 30 June 2015 *(unaudited)*				
	Financial Market	Commodity Market	Other	Exclusions and adjustments	Total GPW Group
Sales revenues	101,010	64,618	796	(1,085)	165,338
Operation expenses	(64,029)	(19,821)	(1,414)	126	(85,137)
incl. depreciation and amortisation	*(11,163)*	*(1,598)*	*(53)*	-	*(12,814)*
Profit/(loss) on sales	**36,981**	**44,797**	**(618)**	**(959)**	**80,201**
Profit / (loss) on other operations	(1,051)	114	(3)	-	(939)
Operating profit / (loss)	**35,931**	**44,911**	**(621)**	**(959)**	**79,262**
Profit / (loss) on financial operations, incl.	41,264	430	28	(40,318)	1,403
interest income	*2,530*	*440*	*30*	-	*3,000*
interest expenses	*(3,920)*	-	-	-	*(3,920)*
Share of profit/ (loss) of associates	-	-	-	(124)	(124)
Profit before income tax	**77,194**	**45,341**	**(593)**	**(41,401)**	**80,541**
Income tax expense	(6,433)	(8,708)	-	(24)	(15,166)
Profit for the period	**70,761**	**36,633**	**(593)**	**(41,425)**	**65,375**

Table 21: Business segments: Statement of financial position

	As at 31 December 2015				
	Financial Market	Commodity Market	Other	Exclusions and adjustments	Total GPW Group
Total assets	753,251	202,002	4,270	63,293	1,022,815
Total liabilities	280,584	22,281	75	(1,392)	301,548
Net assets (assets less liabilities)	**472,667**	**179,720**	**4,195**	**64,684**	**721,267**

(all amounts in PLN'000 unless stated otherwise)

Table 22: Business segments: Revenue

	Three-month period ended 30 June 2016 *(unaudited)*				
	Financial Market	Commodity Market	Other	Exclusions and adjustments	Total GPW Group
Sales to external clients	43,218	31,243	-	-	**74,461**
Sales between segments and intra-Group transactions	356	63	75	(494)	**-**
Sales revenues	**43,574**	**31,306**	**75**	**(494)**	**74,461**

Table 23: Business segments: Statement of comprehensive income

	Three-month period ended 30 June 2016 *(unaudited)*				
	Financial Market	Commodity Market	Other	Exclusions and adjustments	Total GPW Group
Sales revenues	43,574	31,306	75	(494)	74,461
Operation expenses	(27,786)	(10,479)	(258)	498	(38,026)
incl. depreciation and amortisation	*(5,232)*	*(1,257)*	*(52)*	-	*(6,541)*
Profit/(loss) on sales	**15,788**	**20,827**	**(183)**	**4**	**36,435**
Profit / (loss) on other operations	32	21	39	(39)	53
Operating profit / (loss)	**15,820**	**20,848**	**(144)**	**(35)**	**36,489**
Profit / (loss) on financial operations, incl.	1,633	600	17	974	3,224
interest income	*1,187*	*469*	*17*	-	*1,673*
interest expenses	*1,880*	*1*	-	-	*1,881*
Share of profit/ (loss) of associates	-	-	-	1,354	1,354
Profit before income tax	**17,453**	**21,448**	**(127)**	**2,293**	**41,067**
Income tax expense	(3,005)	(4,123)	-	-	(7,127)
Profit for the period	**14,448**	**17,325**	**(127)**	**2,293**	**33,940**

(all amounts in PLN'000 unless stated otherwise)

Table 24: Business segments: Revenue

	Three-month period ended 30 June 2015 *(unaudited)*				
	Financial Market	Commodity Market	Other	Exclusions and adjustments	Total GPW Group
Sales to external clients	49,667	27,179	325	-	**77,171**
Sales between segments and intra-Group transactions	527	(10)	177	(692)	**-**
Sales revenues	**50,194**	**27,169**	**501**	**(692)**	**77,171**

Table 25: Business segments: Statement of comprehensive income

	Three-month period ended 30 June 2015 *(unaudited)*				
	Financial Market	Commodity Market	Other	Exclusions and adjustments	Total GPW Group
Sales revenues	50,194	27,169	501	(692)	77,171
Operation expenses	(33,830)	(10,068)	(781)	(368)	(45,047)
incl. depreciation and amortisation	*(5,539)*	*(1,053)*	*(27)*	-	*(6,619)*
Profit/(loss) on sales	**16,365**	**17,100**	**(280)**	**(1,060)**	**32,124**
Profit / (loss) on other operations	(858)	(117)	-	-	(974)
Operating profit / (loss)	**15,507**	**16,983**	**(280)**	**(1,060)**	**31,150**
Profit / (loss) on financial operations, incl.	42,420	131	22	(40,318)	2,254
interest income	*1,328*	*150*	*23*	-	*1,501*
interest expenses	*(1,985)*	-	-	-	*(1,985)*
Share of profit/ (loss) of associates	-	-	-	(336)	(336)
Profit before income tax	**57,927**	**17,114**	**(258)**	**(41,714)**	**33,069**
Income tax expense	(2,841)	(3,247)	-	(5)	(6,094)
Profit for the period	**55,086**	**13,867**	**(258)**	**(41,719)**	**26,975**

(all amounts in PLN'000 unless stated otherwise)

17. WCCH Clearing Guarantee System

The clearing guarantee system operated by WCCH includes:

- **Transaction deposits** which cover cash settlement;
- **Margins** which cover positions in forward instruments;
- **Guarantee funds** which guarantee the clearing of transactions concluded on forward markets in the event of a shortage of transaction deposits and margins posted by a member;
- **Margin monitoring system** which compares the amount of liabilities of a WCCH clearing member under exchange transactions and margins with the amount of posted transaction deposits and margins.

Table 26: zCash posted as transaction deposits and margins and contributions to the guarantee funds

	As at 30 June 2016 *(unaudited)*		As at 31 December 2015	
	Cash in WCCH accounts	Cash in clients accounts	Cash in WCCH accounts	Cash in clients accounts
Transaction deposits	416,050	271,322	573,617	408,672
Margins	278,285	195,834	109,943	382,013
Guarantee funds	169,232	39,597	192,446	44,005
Total	**863,567**	**506,753**	**876,007**	**834,690**

Non-cash collateral credited to margins stood at PLN 394,459 thousand as at 30 June 2016 and PLN 325,988 thousand as at 31 December 2015.

Cash of guarantee funds and transaction deposits is not presented as assets in the Group's statement of financial position.

Benefits from the management of the resources of the guarantee system are added to contributions of members to individual elements of the clearing guarantee system. Such benefits are debited with management fees in amounts set by the WCCH Management Board.

18. Events after the balance sheet date

There were no material events after 30 June 2016, i.e., the balance sheet date, which could impact the Condensed consolidated interim financial statements of the Giełda Papierów Wartościowych w Warszawie S.A. Group for the six-month period ended 30 June 2016.

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

Małgorzata Zaleska – President of the Management Board ....

Paweł Dziekoński – Vice-President of the Management Board ....

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

Signature of the person responsible for keeping the accounting records:

Sylwia Sawicka – Chief Accountant ....

Warsaw, 25 July 2016

KPMG Audyt
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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 INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2016 TO 30 JUNE 2016

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

Introduction

We have reviewed the accompanying 30 June 2016 condensed separate interim financial statements of Giełda Papierów Wartościowych w Warszawie S.A., with its registered office in Warsaw, ul. Książeca 4 ("the condensed separate interim financial statements"), which comprise:

- the separate statement of financial position as at 30 June 2016,
- the separate statements of comprehensive income for the three-month and six-month periods ended 30 June 2016,
- the separate statement of changes in equity for the six- month period ended 30 June 2016,
- the separate statement of cash flows for the six-month period ended 30 June 2016, and
- notes to the interim financial statements.

Management of the company is responsible for the preparation and presentation of these condensed separate 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 separate interim financial statements, based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as adopted by the National Council of Certified Auditors as the National Standard on Assurance 2410. 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 Assurance or 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 condensed separate interim financial statements of Giełda Papierów Wartościowych w Warszawie S.A. as at 30 June 2016 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. Inflancka 4A,
00-189 Warsaw

Signed on the Polish original

....
Mirosław Matusik
Key Certified Auditor
Registration No. 90048
Limited Liability Partner with power of attorney

25 July 2016

Condensed Separate Interim
Financial Statements of

Giełda Papierów Wartościowych w Warszawie S.A.

for the six-month period ended on 30 June 2016

July 2016

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(all amounts in PLN'000 unless stated otherwise)

I. SEPARATE STATEMENT OF FINANCIAL POSITION

	Note	As at 30 June 2016 *(unaudited)*	As at 31 December 2015
Non-current assets		**467,871**	**472,253**
Property, plant and equipment	**2**	93,071	94,773
Intangible assets	**3**	78,607	81,601
Investment in associates	**4**	36,959	36,959
Investment in subsidiaries	**4**	254,984	254,985
Available-for-sale financial assets		290	282
Long-term prepayments		3,960	3,653
Current assets		**313,659**	**261,770**
Inventories		68	119
Trade and other receivables		26,376	26,091
Cash and cash equivalents		287,215	235,560
TOTAL ASSETS		**781,530**	**734,023**

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

(all amounts in PLN'000 unless stated otherwise)

SEPARATE STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	As at	
		30 June 2016 *(unaudited)*	**31 December 2015**
Equity		**379,687**	**454,881**
Share capital		63,865	63,865
Other reserves		(141)	(304)
Retained earnings		315,963	391,320
Non-current liabilities		**135,545**	**258,242**
Liabilities on bonds issue		123,669	243,800
Employee benefits payable		2,828	2,382
Deferred tax liability		6,824	12,060
Other liabilities		2,224	-
Current liabilities		**266,298**	**20,900**
Liabilities on bonds issue		121,047	682
Trade payables		5,720	6,599
Employee benefits payable		6,614	7,023
Corporate income tax payable		9,547	1,976
Accruals and deferred income		22,231	1,776
Other liabilities		101,139	2,844
TOTAL EQUITY AND LIABILITIES		**781,530**	**734,023**

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

(all amounts in PLN'000 unless stated otherwise)

II. SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	Note	Three-month period ended		Six-month period ended	
		30 June 2016 *(unaudited)*	**30 June 2015** *(unaudited)*	**30 June 2016** *(unaudited)*	**30 June 2015** *(unaudited)*
Revenue		40,885	47,275	83,216	94,846
Operating expenses		(25,173)	(31,793)	(54,878)	(59,634)
Other income		55	124	190	375
Other expenses		(24)	(989)	(571)	(1,433)
Operating profit		**15,743**	**14,618**	**27,957**	**34,154**
Financial income		3,550	44,490	4,977	45,767
Financial expenses		(1,994)	(2,137)	(4,011)	(4,632)
Profit before income tax		**17,299**	**56,971**	**28,923**	**75,289**
Income tax expense		(2,967)	(2,744)	(5,226)	(6,143)
Profit for the period		**14,332**	**54,227**	**23,697**	**69,146**
Net change of fair value of available-for-sale financial assets		-	*(103)*	-	*(184)*
Effective portion of change of fair value of cash flow hedges		*156*	*111*	*163*	*29*
Income to be reclassified as gains or losses		156	8	163	(155)
Actuarial gains / (losses) on provisions for employee benefits after termination		-	-	-	*14*
Income not to be reclassified as gains or losses		-	-	-	14
Other comprehensive income after tax		**156**	**8**	**163**	**(141)**
Total comprehensive income		**14,488**	**54,235**	**23,860**	**69,005**

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

(all amounts in PLN'000 unless stated otherwise)

III. SEPARATE STATEMENT OF CASH FLOWS

	Note	Six-month period ended	
		30 June 2016 *(unaudited)*	30 June 2015 *(unaudited)*
Cash flows from operating activities:		**58,125**	**58,089**
Cash generated from operation before tax		61,091	49,567
Net profit of the period		23,697	69,146
Adjustments:		37,394	(19,579)
Income tax		5,226	6,143
Depreciation of property, plant and equipment		4,979	5,508
Amortisation of intangible assets		4,955	5,350
Foreign exchange (gains)/losses		(129)	(350)
(Profit) / Loss on sale of property, plant and equipment and intangible assets		15	399
Financial (income) / expense of available-for-sale financial assets		(8)	(297)
Financial income from dividends		(2,090)	(43,072)
Income from interest on deposits		(2,276)	(2,391)
Interest, cost and premium on issued bonds		4,003	4,150
Change of long-term prepayments		(306)	(723)
Other		203	(63)
Change in current assets and liabilities:		22,822	5,767
(Increase) / Decrease of inventories		51	*(1)*
(Increase) / Decrease of trade and other receivables		1,654	*(4,214)*
Increase / (Decrease) of trade payables		1,345	*290*
Increase / (Decrease) of employee benefits payable		36	*(5,520)*
Increase / (Decrease) of accruals and deferred income		20,455	*14,035*
Increase / (Decrease) of other liabilities (net of dividend payable)		(720)	*1,177*
Income tax (paid)/refunded		(2,966)	8,522

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

(all amounts in PLN'000 unless stated otherwise)

SEPARATE STATEMENT OF CASH FLOWS (CONTINUED)

	Note	Six-month period ended	
		30 June 2016 *(unaudited)*	**30 June 2015** *(unaudited)*
Cash flows from investing activities:		**(2,829)**	**(1,308)**
Purchase of property, plant and equipment		(3,343)	(1,289)
Purchase of intangible assets		(1,961)	(1,587)
Proceeds from sale of property, plant and equipment and intangible assets		50	41
Investment in subsidiaries		-	(1,215)
Loans granted		-	(100)
Repayment of loans granted		-	100
Interest received		2,276	2,391
Dividend received		150	352
Cash flows from financing activities:		**(3,770)**	**(3,920)**
Interest paid		(3,770)	(3,920)
Net (decrease) / increase in cash and cash equivalents		**51,526**	**52,861**
Impact of fx rates on cash balance in currencies		*129*	*350*
Cash and cash equivalents - opening balance		**235,560**	**208,035**
Cash and cash equivalents - closing balance		**287,215**	**261,246**

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

(all amounts in PLN'000 unless stated otherwise)

IV. SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital	Other reserves	Retained earnings	Total equity
As at 31 December 2015	**63,865**	**(304)**	**391,320**	**454,881**
Dividends	-	-	(99,054)	**(99,054)**
Transactions with owners recognised directly in equity	**-**	**-**	**(99,054)**	**(99,054)**
Profit for the six-month period ended 30 June 2016	-	-	23,697	**23,697**
Other comprehensive income	-	163	-	**163**
Total comprehensive income for the six-month period ended 30 June 2016	**-**	**163**	**23,697**	**23,860**
As at 30 June 2016 *(unaudited)*	**63,865**	**(141)**	**315,963**	**379,687**

	Share capital	Other reserves	Retained earnings	Total equity
As at 31 December 2014	**63,865**	**(243)**	**395,147**	**458,769**
Dividends	-	-	(100,733)	**(100,733)**
Transactions with owners recognised directly in equity	**-**	**-**	**(100,733)**	**(100,733)**
Profit for the year ended 31 December 2015	-	-	96,905	**96,905**
Other comprehensive income	-	(61)	-	**(61)**
Total comprehensive income for the year ended 31 December 2015	**-**	**(61)**	**96,905**	**96,844**
As at 31 December 2015	**63,865**	**(304)**	**391,320**	**454,881**

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

(all amounts in PLN'000 unless stated otherwise)

SEPARATE STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Share capital	Other reserves	Retained earnings	Total equity
As at 31 December 2014	**63,865**	**(243)**	**395,147**	**458,769**
Dividends	-	-	(100,733)	**(100,733)**
Transactions with owners recognised directly in equity	**-**	**-**	**(100,733)**	**(100,733)**
Profit for the six- month period ended 30 June 2015	-	-	69,146	**69,146**
Other comprehensive income	-	(141)	-	**(141)**
Total comprehensive income for the six-month period ended 30 June 2015	**-**	**(141)**	**69,146**	**69,005**
	-	-	-	**-**
As at 30 June 2015 *(unaudited)*	**63,865**	**(384)**	**363,561**	**427,042**

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

V. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. Basis of preparation of the financial statements and description of the main accounting policies

These Condensed Separate Interim Financial Statements of Giełda Papierów Wartościowych w Warszawie S.A. have been prepared according to the International Accounting Standard 34 "Interim Financial Reporting" approved by the European Union.

In the opinion of the Management Board, in the notes to the Condensed Separate Interim Financial Statements of Giełda Papierów Wartościowych w Warszawie S.A., GPW included all material information necessary for the proper assessment of the assets and the financial position of the Company as at 30 June 2016 and its financial results in the period from 1 January 2016 to 30 June 2016.

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

The Company has prepared the Condensed Separate Interim Financial Statements in accordance with the same accounting policies as those described in the audited Financial Statements for the year ended 31 December 2015 other than for changes described below. The Condensed Separate Interim Financial Statements for the six-month period ended 30 June 2016 should be read in conjunction with the audited Separate Financial Statements for the year ended 31 December 2015.

Interpretations and amendments to existing standards adopted by the European Union which are effective for the Company's financial statements for the financial year starting on 1 January 2016:

1) Amendments to IFRS 11 Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations;
2) Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation;
3) Improvements to IFRS (2012-2014);
4) Amendments to IAS 1 Presentation of Financial Statements – Disclosure initiative;
5) Amendments to IAS 27 Separate Financial Statements - Equity Method in Separate Financial Statements.

According to the Company's assessment, these interpretations and amendments to the standards have no material impact on the Condensed Separate Interim Financial Statements.

The critical accounting estimates and judgements used by the Management Board in the application of the Company's accounting policy and the key sources of uncertainty were the same as those used in the Separate Financial Statements as at 31 December 2015, other than the judgements concerning fees covering the cost of capital market supervision described in Note 6.1.

(all amounts in PLN'000 unless stated otherwise)

2. Property, plant and equipment

Table 1: Change of the net carrying value of property, plant and equipment by category

	Period of	
	6 months ended 30 June 2016 *(unaudited)*	**12 months ended 31 December 2015**
Net carrying value - opening balance	**94,773**	**101,291**
Additions	3,343	4,759
Disposals	(66)	(451)
Depreciation charge	(4,979)	(10,826)
Net carrying value - closing balance	**93,071**	**94,773**

Contracted investment commitments for property, plant and equipment were PLN 848 thousand as at 30 June 2016, including mainly restructuring of GPW offices.

Contracted investment commitments for property, plant and equipment were PLN 1,094 thousand as at 31 December 2015, including mainly restructuring of GPW offices.

3. Intangible assets

Table 2: Change of the net carrying value of intangible assets by category

	Period of	
	6 months ended *30 June 2016* *(unaudited)*	**12 months ended 31 December 2015**
Net carrying value - opening balance	**81,601**	**85,496**
Additions	1,961	6,758
Disposals	-	(7)
Amortisation charge	(4,955)	(10,646)
Net carrying value - closing balance	**78,607**	**81,601**

Contracted investment commitments for intangible assets amounted to PLN 1,330 thousand as at 30 June 2016 and related mainly to:

- Electronic Document Flow;
- Microsoft product licences in GPW;

Contracted investment commitments for intangible assets amounted to PLN 6,512 thousand as at 31 December 2015 and related mainly to:

- UTP-Derivatives system;
- Electronic Document Flow;
- Microsoft product licences in GPW.

4. Investment in subsidiaries, associates and other entities

As at 30 June 2016, and as at 31 December 2015, the Company held interest in the following subsidiaries:

- Towarowa Giełda Energii S.A. ("Polish Power Exchange", "PolPX", the parent entity of the PolPX Group),
- BondSpot S.A. ("BondSpot"),
- GPW Centrum Usług ("GPW CU"),
- Instytut Analiz i Ratingu S.A. ("IAiR").

As at 30 June 2016, and as at 31 December 2015, the Company held interest in the following associates:

- Krajowy Depozyt Papierów Wartościowych S.A. ("Central Securities Depository of Poland", "KDPW", the parent entity of the KDPW Group),
- Centrum Giełdowe S.A.,
- Aquis Exchange Limited.

On 10 June 2016, GPW and the other shareholders of Aquis signed an agreement concerning shares of Aquis Exchange Limited. Under the annex to the shareholders' agreement, GPW agreed to conditionally sell the entire package of Aquis shares held at GBP 37 per share. The call option may be exercised by Aquis shareholders upon a negative decision of GPW concerning an initial public offering (IPO) or a negative decision of GPW concerning potential restructuring of Aquis Exchange necessary to complete an IPO. The call option is valid until the end of November 2017 and then expires.

In H1 2016, Aquis Exchange Limited issued shares at GBP 18.50 per share, which is more than the price paid by GPW (GBP 13.02 per share). Following the share issue without the participation of GPW, GPW's share in Aquis measured by the number of shares decreased from 31.01% as at 31 December 2015 to 26.89% as at 30 June 2016. GPW's share in economic and voting rights decreased from 26.33% to 23.3%.

As at the date of publication of this report, GPW holds 384,025 Aquis shares at a carrying value of PLN 25,307 thousand.

5. Provisions and impairment losses for assets

In the period from 1 January 2016 to 30 June 2016, impairment losses for assets were adjusted as follows:

- impairment allowances for receivables: an increase of PLN 359 thousand (provision additions of PLN 589 thousand, releases of PLN 147 thousand, receivables written off as unenforceable PLN 83 thousand).

Furthermore, in the period from 1 January 2016 to 30 June 2016, there were the following changes in estimates relating to provisions:

- provisions against employee benefits (mainly annual bonuses and reorganisation severance allowances) were increased by PLN 37 thousand (usage of PLN 4,247 thousand, provision additions of PLN 4,284 thousand).

6. Related party transactions

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

Polish Financial Supervision Authority

The Act of 12 June 2015 amending the Capital Market Supervision Act and certain other Acts has largely extended the list of entities required to finance supervision and increased the amount of contributions of entities. The Regulation of the Minister of Finance which determines among others the calculation method as well as the terms and conditions of the payment of fees by relevant entities took effect as of 1 January 2016. As a result, the cost paid by GPW will be reduced significantly in 2016 and beyond compared to PLN 21.1 million in 2015.

Following these amendments of regulations, GPW has decided in 2016 to change the timing of recognition of liabilities in respect of fees due to PFSA and of charging the fees to costs. Previously, GPW recognised 1/12 of the annual fee due to PFSA in each month of the year. Starting in 2016, the estimated amount of the entire annual fee due to PFSA is charged to the accounts of GPW of the first quarter of each year.

As a result of the change in the presentation of the fee due to PFSA, GPW's operating expenses in H1 2016 include an annual fee of PLN 6.6 million. The fees in the first six months 2015 stood at PLN 11.1 million.

Details about the changes of fees due to PFSA are presented in the GPW Group's financial statements for the three-month period ended on 31 March 2016.

6.2. Transactions with subsidiaries and associates

On 25 May 2016, the Ordinary General Meeting of BondSpot resolved to allocate PLN 2,000 thousand from the 2015 net profit for the payment of dividend. The dividend due to GPW as at 30 June 2016 was PLN 1,940 thousand. The dividend payment date is 19 July 2016.

On 22 June 2016, the Ordinary General Meeting of Centrum Giełdowe resolved to allocate PLN 606 thousand from the 2015 net profit for the payment of dividend. The dividend due to GPW is PLN 150 thousand. The dividend payment date is 30 June 2016.

7. Dividend

On 22 June 2016, the Ordinary General Meeting of GPW resolved to distribute the Company's profit of 2015, including an allocation of PLN 99,054 thousand to the payment of a dividend. The dividend per share is PLN 2.36. The dividend record date is 20 July 2016 and the dividend payment date is 4 August 2016.

The liability in respect of the dividend payment was presented in the Company's other current liabilities as at 30 June 2016. The dividend due to the State Treasury is PLN 34,665 thousand.

8. Events after the balance sheet date

There were no material events after 30 June 2016, i.e., the balance sheet date, which could impact the Condensed consolidated interim financial statements of the Giełda Papierów Wartościowych w Warszawie S.A. Group for the six-month period ended 30 June 2016.

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

Małgorzata Zaleska – President of the Management Board ....

Paweł Dziekoński – Vice-President of the Management Board ....

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

Signature of the person responsible for keeping the accounting records:

Sylwia Sawicka – Chief Accountant ....

Warsaw, 25 July 2016

Management Board's Statement

The Management Board of the Warsaw Stock Exchange declares that the registered audit firm performing the audit of the Condensed Separate Financial Statements of the Warsaw Stock Exchange for the six-month period ended 30 June 2016 and the Condensed Consolidated Financial Statements of the Warsaw Stock Exchange Group for the six-month period ended 30 June 2016 has been appointed pursuant to the binding regulations. The audit firm and the certified auditors performing the audit meet the requirements necessary for issuing an objective and independent audit opinion on the separate and the consolidated financial statement, pursuant to the binding provisions of the law and professional standards.

Małgorzata Zaleska
President of the Management Board

Paweł Dziekoński
Vice-President of the Management Board

Dariusz Kułakowski
Member of the Management Board

Warsaw, 25th July 2016

Management Board's Statement

The Management Board of the Warsaw Stock Exchange declares to the best of its knowledge that:

- The Condensed Separate Financial Statement of the Warsaw Stock Exchange for the six-month period ended 30 June 2016, including comparative information, have been prepared in accordance with the binding accounting policies and that these give a true, fair and clear view of the financial position and results of the Warsaw Stock Exchange,

- The Condensed Consolidated Financial Statement of the Warsaw Stock Exchange Group for the six-month period ended 30 June 2016, including comparative information, have been prepared in accordance with the binding accounting policies and that these give a true, fair and clear view of the financial position and results of the Warsaw Stock Exchange Group,

- The Consolidated report on the activities of the Warsaw Stock Exchange Group for the six-month period ended 30 June 2016 gives the true view of the Warsaw Stock Exchange Group development, achievements and situation, including the main threats and risks.

_________________________ Małgorzata Zaleska President of the Management Board	_________________________ Paweł Dziekoński Vice-President of the Management Board

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Dariusz Kułakowski
Member of the Management Board

Warsaw, 25th July 2016