



GIEŁDA PAPIERÓW
WARTOŚCIOWYCH
W WARSZAWIE

Consolidated Financial Statements of
the Giełda Papierów Wartościowych
w Warszawie S.A. Group
for the Year Ended 31 December 2013



(all amounts in PLN thousands, unless otherwise stated)

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(all amounts in PLN thousands, unless otherwise stated)

Consolidated Statement of Financial Position

	Note	As at	
		31 December 2013	31 December 2012
Non-current assets		576 421	512 004
Property, plant and equipment	5	124 042	133 115
Intangible assets	6	269 155	209 545
Investment in associates	7	158 540	151 213
Deferred tax assets	8	-	3 155
Available-for-sale financial assets	9	20 955	11 183
Prepayments	11	3 729	3 793
Current assets		482 707	447 020
Inventories		166	253
Corporate income tax receivable		10 797	4 837
Trade and other receivables	10	34 792	62 929
Available-for-sale financial assets	9	118	118
Other current financial assets		3	-
Cash and cash equivalents	12	436 831	378 883
TOTAL ASSETS		1 059 128	959 024
Equity		638 105	555 890
Equity of the shareholders of the parent entity		636 985	554 513
Share capital	13	63 865	63 865
Other reserves	13	1 278	(1 000)
Retained earnings	13	571 842	491 647
Non-controlling interests		1 120	1 377
Non-current liabilities		249 578	247 842
Employee benefits payable	15	4 456	4 305
Finance lease liabilities	17	439	381
Liabilities on bonds issue	14	243 617	243 157
Deferred tax liability	8	1 066	-
Current liabilities		171 445	155 292
Trade payables	14	12 738	4 284
Finance lease liabilities	17	365	336
Corporate income tax payable		657	2 549
Loans and borrowings		-	13
Dividends and other liabilities	14	144 035	134 185
Employee benefits payable	15	11 511	12 574
Provisions for other liabilities and charges	16	2 139	1 351
TOTAL EQUITY AND LIABILITIES		1 059 128	959 024

The attached Notes are an integral part of these Consolidated Financial Statements for the year ended 31 December 2013.



(all amounts in PLN thousands, unless otherwise stated)

Consolidated Statement of Comprehensive Income

	Note	Year ended 31 December	
		2013	2012
Revenue	18	283 762	273 825
Operating expenses	19	(166 224)	(148 490)
Other income	20	3 224	10 505
Other expenses	21	(2 126)	(10 583)
Operating profit		118 636	125 257
Financial income	20	10 917	14 074
Financial expenses	21	(12 215)	(17 800)
Share of profit of associates		12 494	9 243
Profit before income tax		129 832	130 774
Income tax expense	22	(16 289)	(24 544)
Net profit for the period		113 543	106 230
Other comprehensive income:		-	-
Income to be reclassified as gains or losses on fulfilment of certain conditions		2 278	(2 707)
<i>Net change of fair value of available-for-sale financial assets</i>		(166)	873
<i>Effective portion of change of fair value of cash flow hedges</i>		3 121	(3 580)
<i>Gains/(losses) from the valuation of available-for-sale financial assets of the associate</i>		(677)	1 437
Other comprehensive income after tax		2 278	(1 269)
Total comprehensive income		115 821	104 960
Net profit for the period		113 543	106 230
Net profit for the period attributable to the shareholders of the parent entity		113 310	105 774
Net profit for the period attributable to the non-controlling interests		233	456
Total comprehensive income:		115 821	104 960
Total comprehensive income for the period attributable to the shareholders of the parent entity		115 588	104 505
Total comprehensive income for the period attributable to the non-controlling interests		233	456
Basic/diluted earnings per share (in PLN)		2,70	2,52

The attached Notes are an integral part of these Consolidated Financial Statements for the year ended 31 December 2013.



(all amounts in PLN thousands, unless otherwise stated)

Consolidated Statement of Cash Flows

	Note	Year ended 31 December	
		2013	2012
Cash flows from operating activities:		176 222	125 829
Cash generated from operation		196 032	158 237
Net profit of the period		113 543	106 230
Adjustments:		82 489	52 007
Income tax	22	16 289	24 544
Depreciation of property, plant and equipment	19	13 712	11 193
Amortisation of intangible assets	19	12 010	5 371
(Profit) / Loss on exchange rate differences		(891)	839
(Profit) / Loss on sale of property, plant and		112	426
Odpis z tytułu trwałej utaty wartości firmy		-	7 946
Result on impairment of investments in other entities		-	1 011
Financial (income) / expense of available-for-sale	20	(601)	(2 079)
Income from interest on deposits	20	(8 683)	(10 732)
Interest and premium on issued bonds	20	11 658	14 795
Share of profit of associates		(12 494)	(9 243)
Net change of provisions for other liabilities and		788	332
Other	33	5 438	(9 560)
Change in current assets and liabilities:		45 151	17 164
<i>(Increase) / Decrease of inventories</i>		87	7
<i>(Increase) / Decrease of trade and other receivables and prepayments</i>		28 201	349
<i>Increase / (Decrease) of trade and other payables</i>		17 775	17 614
<i>Increase / (Decrease) of employee benefits payable</i>		(912)	(806)
Income tax expense		(19 810)	(32 408)

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(all amounts in PLN thousands, unless otherwise stated)

Note	Year ended 31 December	
	2013	2012
Cash flows from investing activities:	(74 813)	(36 230)
Purchase of property, plant and equipment	(13 980)	(13 482)
Purchase of intangible assets	(64 685)	(12 747)
Proceeds from sale of property, plant and equipment and	612	284
Acquisition of subsidiary, net of cash acquired	-	(68 729)
Acquisition of non-controlling interests	(213)	(18 001)
Sale of available-for-sale financial assets	-	58 004
Acquisition of available-for-sale financial assets	(10 105)	-
Interest received	9 308	11 357
Dividends received	4 250	7 084
Cash flows from financing activities:	(44 352)	(962)
Paid dividend	(33 141)	(61 002)
Paid interest	(11 198)	(15 656)
Paid loans and borrowings	(13)	13
Proceeds from bond issue	-	75 683
	-	-
Net increase in cash and cash equivalents	57 057	88 637
<i>Effect of movements in exchange rates on cash held</i>	891	(839)
Cash and cash equivalents - opening balance	378 883	291 085
Cash and cash equivalents - closing balance	436 831	378 883

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(all amounts in PLN thousands, unless otherwise stated)

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 2011	63 865	270	459 074	523 209	1 283	524 492
Dividend	-	-	(60 440)	(60 440)	(362)	(60 802)
Social Benefit Fund	-	-	(200)	(200)	-	(200)
Transactions with owners recognised directly in equity	-	-	(60 640)	(60 640)	(362)	(61 002)
Value of non-controlling shares as at the day of acquisition of PolPX shares - 29 February 2012	-	-	-	-	5 734	5 734
Acquisition of non-controlling interests	-	-	(12 412)	(12 412)	(5 589)	(18 001)
Change of interest in subsidiaries	-	-	(12 412)	(12 412)	145	(12 267)
Other changes in equity	-	-	(149)	(149)	(144)	(293)
<i>Net profit for the year ended 31 December 2012</i>	-	-	105 774	105 774	456	106 230
<i>Income to be reclassified as gains or losses on fulfilment of certain conditions</i>	-	(1 270)	-	(1 270)	-	(1 270)
<i>Net change of fair value of available-for-sale financial assets</i>	-	873	-	873	-	873
<i>Effective portion of change of fair value of cash flow hedges</i>	-	(3 580)	-	(3 580)	-	(3 580)
<i>Revaluation of available-for-sale financial assets of an associate</i>	-	1 437	-	1 437	-	1 437
Total comprehensive income for the year ended 31 December 2012	-	(1 270)	105 774	104 504	456	104 960
As at 31 December 2012	63 865	(1 000)	491 647	554 512	1 377	555 889

The attached Notes are an integral part of these Consolidated Financial Statements for the year ended 31 December 2013



(all amounts in PLN thousands, unless otherwise stated)

	Attributable to the shareholders of the parent entity				Non- controllin g interests	Total equity
	Share capital	Other reserves	Retained earnings	Total		
As at 31 December 2012	63 865	(1 000)	491 647	554 512	1 377	555 889
Dividend	-	-	(32 738)	(32 738)	(414)	(33 152)
Transactions with owners recognised directly in equity	-	-	(32 738)	(32 738)	(414)	(33 152)
Acquisition of non-controlling interests	-	-	(137)	(137)	(76)	(213)
Change of interest in subsidiaries	-	-	(137)	(137)	(76)	(213)
Other changes in equity	-	-	(240)	(240)	-	(240)
<i>Net profit for the year ended 31 December 2013</i>	-	-	113 310	113 310	233	113 543
<i>Income to be reclassified as gains or losses on fulfilment of certain conditions</i>	-	2 278	-	2 278	-	2 278
<i>Net change of fair value of available-for-sale financial assets</i>	-	(167)	-	(167)	-	(167)
<i>Effective portion of change of fair value of cash flow hedges</i>	-	3 121	-	3 121	-	3 121
<i>Revaluation of available-for-sale financial assets of an associate</i>	-	(677)	-	(677)	-	(677)
Total comprehensive income for the year ended 31 December 2013	-	2 278	113 310	115 588	233	115 821
As at 31 December 2013	63 865	1 278	571 842	636 986	1 120	638 105

The attached Notes are an integral part of these Consolidated Financial Statements for the year ended 31 December 2013



1. General information

1.1. Legal status and scope of operations of the company

The parent entity of the Giełda Papierów Wartościowych w Warszawie S.A. Group (“the Group”) is Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna (“Warsaw Stock Exchange”, “the Exchange”, “WSE” or “the Company”) with its registered office in Warsaw, ul. Książęca 4. The Company was established by Notarial Deed on 12 April 1991 and registered in the Commercial Court in Warsaw on 25 April 1991, entry no. KRS 0000082312, VAT no. 526-025-09-72, Regon 012021984. WSE has been listed on WSE’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 Exchange pursues activities in education, promotion and information concerning the capital market and organises an alternative trading system. The Group is active on the following markets:

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

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

- Energy Markets (Intra-Day Market, Day-Ahead Market, Commodity Forward Instruments Market, Electricity Auctions);
- Property Rights Market,
- CO2 Emission Allowances Market.

WSE is also present in Ukraine through the Warsaw Stock Exchange Representation Office.

As at 31 December 2013, WSE controlled 5 subsidiaries and 2 affiliates (KDPW S.A. and Centrum Giełdowe S.A.).

1.2. Approval of the financial statements

The consolidated financial statements were authorised for issuance by the Management Board of the parent entity on 20 February 2014.

1.3. Composition and activity of the Group

Warsaw Stock Exchange and its subsidiaries:

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

comprise the Warsaw Stock Exchange Group.

The following are the associates over which the Group exerts significant influence: Centrum Giełdowe S.A. and KDPW S.A. Group.



(all amounts in PLN thousands, unless otherwise stated)

The composition of the Group and the associates as at 31 December 2013 is set out in the table below:

Name of the entity	Registered office of the entity	Scope of operations	WSE's % share in the share capital
Parent entity			
Giełda Papierów Wartościowych w Warszawie S.A.	00-498 Warsaw ul. Książęca 4 Poland	<ul style="list-style-type: none"> operating a financial instruments exchange through the organisation of public trading in securities, conducting educational, promotional and information activities regarding the functioning of the capital market, organising an alternative trading system. 	N/A
Subsidiaries			
Towarowa Giełda Energii S.A. ("PolPX" or "Polish Power Exchange") <i>(parent entity of the Polish Power Exchange Group)</i>	02-822 Warsaw ul. Poleczki 23 bud. H Poland	<ul style="list-style-type: none"> operating a commodity exchange on which the following may be traded: electricity, liquid and gas fuels, production limits, pollution emission limits, property rights whose value depends directly or indirectly on the value of electricity, liquid or gas fuels, operation of a register of certificates of origin of energy from renewable energy sources and from cogeneration and agricultural biogas. 	100.00%
BondSpot S.A. <i>(former MTS-CeTO S.A.)</i>	00-609 Warsaw Al. Armii Ludowej 26 Poland	<ul style="list-style-type: none"> operating an over-the-counter market and conducting other activities related to organising trading in securities and other financial instruments, organising an alternative trading system, organising and conducting all activities which supplement and support the functioning of the markets operated by BondSpot. 	92.96%
WSEInfoEngine S.A.	00-498 Warsaw ul. Książęca 4 Poland	<ul style="list-style-type: none"> providing services of a Trade Operator (TO) on the electricity market. 	100.00%
Instytut Rynku Kapitałowego - WSE Research S.A. <i>(former WIRK S.A.)</i>	00-498 Warsaw ul. Książęca 4 Poland	<ul style="list-style-type: none"> publishing books, newspapers, magazines and other periodicals, extracurricular education forms, activities which support education, providing services in the area of data transmission and ITT. 	100.00%
WSE Commodities Sp. z o.o.	00-498 Warsaw ul. Książęca 4 Poland	<ul style="list-style-type: none"> holding of commodity market companies 	100.00%
Polish Power Exchange Group subsidiaries			
Izba Rozliczeniowa Giełd Towarowych S.A. ("Warsaw Commodity Clearing House" or "WCCH")	00-175 Warsaw al. Jana Pawła II 80 lok. F35 Poland	<ul style="list-style-type: none"> operating a clearing house and a settlement system for transactions made on the regulated market, clearing transactions made on PolPX, other activities related to organising and conducting clearing or settlement of transactions. 	PolPX share: 100.00%



(all amounts in PLN thousands, unless otherwise stated)

The share capital of the **Polish Power Exchange** was PLN 14,500 thousand as at 31 December 2013. The Exchange's interest in the share capital of PolPX and in the total number of voting rights was 100% as at 31 December 2012 and as at 31 December 2013. Company consolidated in the period 01.01.2013 – 31.12.2013.

The liquidation of InfoGT Sp. z o.o. was opened in September 2012 and its business focused on the provision of IT services within the PolPX Group was transferred to PolPX. Following the completion of the liquidation, the company was struck off National Court Register on 15 July 2013.

The share capital of **BondSpot S.A.** amounted to PLN 10,000 thousand as at 31 December 2012 and as at 31 December 2013. The Exchange's interest in the share capital of BondSpot S.A. and in the total number of voting rights amounted to 92.96% as at 31 December 2013 and 92.47% as at 31 December 2012. Company consolidated in the period 01.01.2013 – 31.12.2013.

The share capital of **WSEInfoEngine S.A.** was PLN 3,445 thousand as at 31 December 2012. The share capital of the company was raised by PLN 1,000 thousand in July 2013 and the share capital of the company was raised by another PLN 1,000 thousand in October 2013. The Exchange's interest in the share capital of WSEInfoEngine S.A. and in the total number of voting rights amounted to 100% as at 31 December 2012 and as at 31 December 2013. Company consolidated in the period 01.01.2013 – 31.12.2013.

The share capital of **IRK S.A.** amounted to PLN 1,000 thousand as at 31 December 2012. The company's share capital was increased by PLN 637 thousand in April 2013. The Exchange's interest in the share capital of IRK and in the total number of voting rights amounted to 100% as at 31 December 2013. Company consolidated in the period 01.01.2013 – 31.12.2013.

WSE Commodities Sp. z o.o. was established by a notary deed on 2 January 2013. The share capital of the company comprised 100 shares with a nominal value of PLN 50 per share. WSE held 100% of shares in the share capital of WSE Commodities Sp. z o.o. as at 28 August 2013. WSE decided to increase the share capital of WSE Commodities in order to pay for 1,900 newly issued shares with a nominal value of PLN 50 per share on 28 August 2013. The share capital of WSE Commodities is now PLN 100 thousand. The Exchange's interest in the share capital of WSECommodities and in the total number of voting rights amounted to 100% as at 31 December 2013. Company consolidated in the period 28.08.2013 – 31.12.2013.

Furthermore, with a view to tax optimisation of the reorganisation of the Group and its activity, WSE decided to set up a tax group comprised of WSE and WSE Commodities. Consequently, on 28 August 2013, WSE and WSE Commodities signed an agreement concerning the creation of a tax group for a period of three fiscal years starting on 1 December 2013 and ending on 31 December 2016 (the first fiscal year will be 13 months long). The agreement was registered by the First Tax Office in Warsaw on 3 October 2013.



(all amounts in PLN thousands, unless otherwise stated)

Name of the entity	Registered office of the entity	Scope of operations	WSE's % share in the share capital
Associates			
Krajowy Depozyt Papierów Wartościowych S.A. ("KDPW S.A.") (parent entity of the KDPW S.A. Group)	00-498 Warsaw ul. Książęca 4 Poland	<ul style="list-style-type: none"> maintaining a depository for securities, clearing transactions made on financial instruments exchanges, commodity exchanges including energy exchanges, among others via the subsidiary KDPW_CCP S.A., conducting other activities related to trading in securities and other financial instruments, administering the Guarantee Fund. Operation of a trade repository and issuing LEIs 	33.33%
Centrum Geldowe S.A.	00-498 Warsaw ul. Książęca 4 Poland	<ul style="list-style-type: none"> activities in respect of building, urban and technological design, undertaking general building works related to constructing buildings, leasing of real estate on own account, real estate management. 	24.79%

The share capital of **KDPW S.A.** was PLN 21,000 thousand as at 31 December 2012 and as at 31 December 2013. The Exchange's interest in the share capital of KDPW and in the total number of voting rights amounted to 33.33% as at 31 December 2012 and as at 31 December 2013.

The share capital of **Centrum Geldowe S.A.** was PLN 18,760 thousand as at 31 December 2012 and as at 31 December 2013. WSE's interest in the share capital of Centrum Geldowe S.A. and in the total number of voting rights was 24.79% as at 31 December 2012 and as at 31 December 2013.

2. Summary of significant accounting policies

2.1. Statement of compliance

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union.

As at the date of approval of these consolidated financial statements, considering the process of IFRS adaptation by the European Union, there are no differences in the accounting policies adopted by the Company under the IFRS and the IFRS as adopted by the European Union.

2.2. Basis of preparation of the financial statements

These consolidated financial statements are presented in the Polish zloty (PLN), which is the functional currency of the Company, and all values are presented in thousands of Polish zlotys (PLN'000) unless stated otherwise.

The financial statements have been prepared on the historical cost basis, except for hedge accounting of cash flows and available-for-sale financial assets which are measured at fair value.

These consolidated financial statements have been prepared with the assumption that the Group will continue its operations in the foreseeable future. As at the date of the preparation of these consolidated financial statements, the Management Board of the parent entity identified no threats to the Group's ability to continue its operations.

The preparation of financial statements in accordance with the IFRS requires making certain critical accounting estimates. It also requires the Management Board to exercise professional judgment in the process of applying



(all amounts in PLN thousands, unless otherwise stated)

the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The Company prepared the consolidated financial statements in accordance with the same accounting policies as those described in the consolidated financial statements as at 31 December 2012 other than for changes resulting from the amendments to the IFRS described below.

Amendments to existing standards adopted by the European Union which are effective for the Group's financial statements for the financial year starting on 1 January 2013:

- 1) Amendments to IAS 1 Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income;
- 2) IAS 19 (2011) Employee Benefits;
- 3) Amendments to IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities;
- 4) Amendments to IFRS 1 Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters;
- 5) IFRS 13 Fair Value Measurement;
- 6) Amendments to IAS 12 Income Taxes – Deferred Tax: Recovery of Underlying Assets;
- 7) Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards – Government Loans;
- 8) Improvements to International Financial Reporting Standards 2009-2011.

The Group's application of the Amendments to IAS 1 means that in its consolidated statement of comprehensive income the Group presents the effective portion of net change in the fair value of available-for-sale financial assets and the effective portion of change in the fair value in cash flow hedging as items that may be reclassified to profit or loss in the future.

The Company's application of the Amendments to IAS 19 means that the Company recognises actuarial gains and losses resulting from changes of estimates of the pension benefits provisions in its consolidated statement of comprehensive income as other comprehensive income.

Following the entry into force of IFRS 13, the Company made additional fair value disclosures in its consolidated financial statements. Furthermore, the Company does not expect that IFRS 13 will have a significant impact on the consolidated financial statements as the methods and assumptions already used to measure assets at fair value are consistent with the standard.

The Company does not expect that the Amendments of other Standards will have a significant impact on the separate financial statements.

The key accounting policies applied in the preparation of these separate financial statements are described below. These policies were continuously followed in all presented periods, unless indicated otherwise.



2.3. New accounting Standards and Interpretations of the IFRS Interpretations Committee (IFRIC)

The Group did not use the option of early application of new Standards and Interpretations already published and adopted by the European Union or planned for adoption in the near future which will take effect after the balance sheet date.

2.3.1. Standards and Interpretations adopted by the European Union

Certain Standards, Interpretations and Amendments to published Standards are not yet mandatorily effective for the annual period ending on 31 December 2013 and have not been applied in preparing these financial statements. The Company plans to adopt these pronouncements when they become effective. The following table presents:

- Standards and Interpretations **adopted by the EU** that are not yet effective for the annual period ending on 31 December 2013;
- Type of the expected impact on accounting policies implemented by a new Standard/Interpretation;
- Impact of the changes described on the Company's financial statements;
- Effective date of the amendments.



(all amounts in PLN thousands, unless otherwise stated)

Standard/Interpretation adopted by EU	Nature of impending change in accounting policy	Possible impact on financial statements	Effective date for periods beginning as the date or after that date
1. IFRS 10 Consolidated Financial Statements	<p>IFRS 10 provides a new single model to be applied in the control analysis for all investees, including entities that currently are SPEs in the scope of SIC-12. IFRS 10 introduces new requirements to assess control that are different from the existing requirements in IAS 27 (2008). Under the new single control model, an investor controls an investee when (1) it is exposed or has rights to variable returns from its involvement with the investee, (2) has the ability to affect those returns through its power over that investee and (3) there is a link between the power and returns.</p> <p>The new standard also includes disclosure requirements and requirements relating to the preparation of consolidated financial statements. These requirements are carried forward from IAS 27 (2008).</p>	The Company does not expect the amendment to have material impact on the financial statements of the Group.	1 January 2014
2. IFRS 11 Joint Arrangements	<p>IFRS 11, <i>Joint Arrangements</i>, supersedes and replaces IAS 31, <i>Interest in Joint Ventures</i>. IFRS 11 does not introduce substantive changes to the overall definition of an arrangement subject to joint control, although the definition of control, and therefore indirectly of joint control, has changed due to IFRS 10.</p> <p>Under the new Standard, joint arrangements are divided into two types, each having its own accounting model defined as follows:</p> <ul style="list-style-type: none"> a joint operation is one whereby the jointly controlling parties, known as the joint operators, have rights to the assets, and obligations for the liabilities, relating to the arrangement. a joint venture is one whereby the jointly controlling parties, known as joint venturers, have rights to the net assets of the arrangement. <p>IFRS 11 effectively carves out from IAS 31, those cases in which, although there is a separate vehicle for the joint arrangement, separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations, under IAS 31, and are now called joint operations. The remainder of IAS 31 jointly controlled entities, now called joint ventures, must be accounted for using the equity method. Proportionate consolidation is no longer possible.</p>	The Company does not expect the amendment to have material impact on the financial statements of the Group.	1 January 2014
3. IFRS 12 Disclosure of Interests in Other Entities	IFRS 12 requires additional disclosures relating to significant judgements and assumptions made in determining the nature of interests in an entity or arrangement, interests in subsidiaries, joint arrangements and associates and unconsolidated structured entities.	The Company is not able to prepare an analysis of the impact Standard will have on the financial statements of the Group until the date of initial application.	1 January 2014

(all amounts in PLN thousands, unless otherwise stated)

Standard/Interpretation <u>adopted</u> by EU	Nature of impending change in accounting policy	Possible impact on financial statements	Effective date for periods beginning as the date or after that date
4. <i>IAS 27 Separate Financial Statements (2011)</i>	IAS 27 (2011) carries forward the existing accounting and disclosure requirements of IAS 27 (2008) for separate financial statements with some minor clarifications. As well, the existing requirements of IAS 28 (2008) and IAS 31 for separate financial statements have been incorporated into IAS 27 (2011). The Standard no longer addresses the principle of control and requirements relating to the preparation of consolidated financial statements, which have been carried over into IFRS 10 Consolidated Financial Statements.	The Company does not expect the amendment to have material impact on the financial statements of the Group.	1 January 2014
5. <i>IAS 28 Investments in Associates and Joint Ventures (2011)</i>	There are limited amendments made to IAS 28 (2008): <ul style="list-style-type: none"> <i>Associates and joint ventures held for sale.</i> IFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i> applies to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale. For any retained portion of the investment that has not been classified as held for sale, the equity method is applied until disposal of the portion held for sale. After disposal, any retained interest is accounted for using the equity method if the retained interest continues to be an associate or a joint venture. <i>Changes in interests held in associates and joint ventures.</i> Previously, IAS 28 (2008) and IAS 31 specified that the cessation of significant influence or joint control triggered remeasurement of any retained stake in all cases, even if significant influence was succeeded by joint control. IAS 28 (2011) now requires that in such scenarios the retained interest in the investment is not remeasured. 	The Company does not expect the amendments to have material impact on the financial statements of the Group.	1 January 2014
6. <i>Amendments to IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities</i>	The Amendments do not introduce new rules for offsetting financial assets and liabilities; rather they clarify the offsetting criteria to address inconsistencies in their application. The Amendments clarify that an entity currently has a legally enforceable right to set-off if that right is: <ul style="list-style-type: none"> not contingent on a future event; and enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties. 	The Company does not expect the amendments to have material impact on the financial statements of the Group.	1 January 2014
7. <i>Amendments to IFRS 10, IFRS 11 and IFRS 12: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities:</i>	The amendments: <ul style="list-style-type: none"> define the date of initial application of IFRS 10 as the beginning of the annual period in which the standard is applied for the first time (1 January 2013 unless early adopted). At this date, an entity tests whether there is a change in the consolidation conclusion for its investees; limit the restatement of comparatives to the period immediately preceding the date of initial application; this applies to the full suite of standards. Entities that provide comparatives for more than one period have the 	The Company does not expect the amendments to have material impact on the financial statements of the Group.	1 January 2014



(all amounts in PLN thousands, unless otherwise stated)

Standard/Interpretation <u>adopted</u> by EU	Nature of impending change in accounting policy	Possible impact on financial statements	Effective date for periods beginning as the date or after that date
<i>Transition Guidance</i>	<p>option of leaving additional comparative periods unchanged;</p> <ul style="list-style-type: none"> requires disclosure of the impact of the change in accounting policy only for the period immediately preceding the date of initial application (i.e. disclosure of impact on the current period is not required); <p>will remove the requirement to present comparative information disclosures related to unconsolidated structured entities for any periods before the first annual period for which IFRS 12 is applied.</p>		
8. Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39 Financial Instruments: Recognition and Measurement)	<p>The Amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws and regulations, when the following criteria are met:</p> <ul style="list-style-type: none"> The novation is made as a consequence of laws or regulations A clearing counterparty becomes a new counterparty to each of the original counterparties of the derivative instrument <p>Changes to the terms of the derivative are limited to those necessary to replace the counterparty</p>	The Company does not expect the amendments to have material impact on the financial statements of the Group.	1 January 2014
9. Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36 Impairment of Assets)	<p>The Amendments clarify that recoverable amount should be disclosed only for individual assets (including goodwill) or cash-generated units for which an impairment loss was recognised or reversed during the period.</p> <p>The Amendments also require the following additional disclosures when an impairment for individual assets (including goodwill) or cash-generated units has been recognised or reversed in the period and recoverable amount is based on fair value less costs to disposal:</p> <ul style="list-style-type: none"> the level of IFRS 13 'Fair value hierarchy' within which the fair value measurement of the asset or cash-generating unit is categorised; for fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, a description of the valuation techniques used and any changes in that valuation technique together with the reason for making it; <p>for fair value measurements categorised within Level 2 and Level 3, each key assumption (i.e. assumptions to which recoverable amount is most sensitive) used in determining fair value less costs of disposal. If fair value less costs of disposal is measured using a present value technique, discount rate(s) used both in current and previous measurement should be disclosed.</p>	The Company does not expect the amendments to have material impact on the financial statements of the Group.	1 January 2014

(all amounts in PLN thousands, unless otherwise stated)

2.3.2. Standards and Interpretations awaiting adoption by the European Union

The following table presents:

- Standards and Interpretations **awaiting adoption by the EU** that are not yet effective for the annual period ending on 31 December 2013;
- Type of the expected impact on accounting policies implemented by a new Standard/Interpretation;
- Impact of the changes described on the Group's financial statements;
- Effective date of the amendments.

Standard/Interpretation awaiting adoption by EU	Nature of impending change in accounting policy	Possible impact on financial statements	Effective date for periods beginning as the date or after that date
1. IFRS 9 Financial Instruments (2009)	<p>This Standard replaces the guidance in IAS 39 Financial Instruments: Recognition and Measurement, about classification and measurement of financial assets. The Standard eliminates the existing IAS 39 categories of held to maturity, available for sale and loans and receivable.</p> <p>Financial assets will be classified into one of two categories on initial recognition:</p> <ul style="list-style-type: none"> • financial assets measured at amortized cost; or • financial assets measured at fair value. <p>A financial asset is measured at amortized cost if the following two conditions are met:</p> <ul style="list-style-type: none"> • the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and • its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. <p>Gains and losses on remeasurement of financial assets measured at fair value are recognised in profit or loss, except that for an investment in an equity instrument which is not held for trading, IFRS 9 provides, on initial recognition, an irrevocable election to present all fair value changes from the investment in other comprehensive income (OCI). The election is available on an individual share-by-share basis. No amount recognised in OCI is ever reclassified to profit or loss at a later date.</p>	The Company is analysing the impact of the new Standard and Amendment on the consolidated financial statements of the Group.	1 January 2015



(all amounts in PLN thousands, unless otherwise stated)

Standard/Interpretation awaiting adoption by EU	Nature of impending change in accounting policy	Possible impact on financial statements	Effective date for periods beginning as the date or after that date
2. Additions to IFRS 9 Financial Instruments (2010)	<p>The 2010 additions to IFRS 9 replace the guidance in IAS 39 <i>Financial Instruments: Recognition and Measurement</i>, about classification and measurement of financial liabilities and the derecognition of financial assets and financial liabilities.</p> <p>The Standard retains almost all of the existing requirements from IAS 39 on the classification and measurement of financial liabilities and for derecognition of financial assets and financial liabilities.</p> <p>The Standard requires that the amount of change in fair value attributable to changes in the credit risk of a financial liability designated at initial recognition as fair value through profit or loss, be presented in other comprehensive income (OCI), with only the remaining amount of the total gain or loss included in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, then the whole fair value change is presented in profit or loss.</p> <p>Amounts presented in OCI are not subsequently reclassified to profit or loss but may be transferred within equity.</p> <p>Derivative financial liabilities that are linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, are required to be measured at fair value under IFRS 9.</p>	The Company is analysing the impact of the new Standard and Amendment on the consolidated financial statements of the Group.	1 January 2015
3. Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	<p>These Amendments change the disclosure and restatement requirements relating to the initial application of IFRS 9 <i>Financial Instruments</i> (2009) and IFRS 9 <i>Financial Instruments</i> (2010).</p> <p>The amended IFRS 7 requires to disclose more details about the effect of the initial application of IFRS 9 when an entity does not restate comparative information in accordance with the amended requirements of IFRS 9.</p> <p>If an entity adopts IFRS 9 on or after 1 January 2013, then it will no longer be required to restate comparative information for periods prior to the date of initial application.</p> <p>If an entity early adopts IFRS 9 in 2012, then it has a choice either to restate comparative information or to provide the enhanced disclosures as required by the amended IFRS 7.</p> <p>If an entity early adopts IFRS 9 prior to 2012, then neither restatement of comparative information nor provision of the enhanced disclosures under the amended IFRS 7 are required.</p>	The Company is analysing the impact of the new Standard and Amendment on the consolidated financial statements of the Group.	January 2014
4. Amendments to IAS 19 Employee Benefits	The amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.	It is expected that the amendment, when initially applied, will not have a material impact on the consolidated financial statements.	1 July 2014



(all amounts in PLN thousands, unless otherwise stated)

Standard/Interpretation awaiting adoption by EU	Nature of impending change in accounting policy	Possible impact on financial statements	Effective date for periods beginning as the date or after that date
		The Group does not plan to change the accounting policy to account for such contributions as a reduction in the service cost in the same period in which they are payable.	
5. IFRIC Interpretation 21 Levies	<p>The Interpretation provides guidance as to the identification of the obligating event giving rise to a liability, and to the timing of recognising a liability to pay a levy imposed by government.</p> <p>In accordance with the Interpretation, the obligating event is the activity that triggers the payment of that levy, as identified in the relevant legislation and as a consequence, the liability for paying the levy is recognised when this event occurs.</p> <p>The liability to pay a levy is recognised progressively if the obligating event occurs over a period of time.</p> <p>If the obligating event is the reaching of a minimum activity threshold, the corresponding liability is recognised when that minimum activity threshold is reached.</p> <p>The Interpretation sets out that an entity cannot have a constructive obligation to pay a levy that will be triggered by operating in a future period as a result of the entity being economically compelled to continue to operate in that future period.</p>	The Group does not expect IFRIC 21, when initially applied, to have a material impact on the consolidated financial statements, since it does not result in a change in the Group's accounting policy regarding levies imposed by governments.	1 January 2014
6. Improvements to IFRS (2010-2012)	<p>The Improvements to IFRSs (2010-2012) contains 8 amendments to 7 standards, with consequential amendments to other standards and interpretations. The main changes were to:</p> <ul style="list-style-type: none"> clarify the definition of 'vesting conditions' in Appendix A of IFRS 2 Share-based Payment by separately defining a 'performance condition' and a 'service condition' clarify certain aspects of accounting for contingent consideration in a business combination amend paragraph 22 of IFRS 8 to require entities to disclose those factors that are used to identify the entity's reportable segments when operating segments have been aggregated. This is to supplement the current disclosure requirements in paragraph 22(a) of IFRS 8. 	The Group does not expect a significant impact of the Improvements to IFRS (2010-2012).	1 July 2014

(all amounts in PLN thousands, unless otherwise stated)

Standard/Interpretation awaiting adoption by EU	Nature of impending change in accounting policy	Possible impact on financial statements	Effective date for periods beginning as the date or after that date
	<ul style="list-style-type: none"> amend paragraph 28(c) of IFRS 8 Operating Segments to clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should be disclosed, if that amount is regularly provided to the chief operating decision maker. This proposed amendment is consistent with the requirements in paragraphs 23 and 28(d) in IFRS 8. clarify the IASB's rationale for removing paragraph B5.4.12 of IFRS 9 Financial Instruments and paragraph AG79 of IAS 39 Financial Instruments: Recognition and Measurement as consequential amendments from IFRS 13 Fair Value Measurement. clarify the requirements for the revaluation method in IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets to address concerns about the calculation of the accumulated depreciation or amortisation at the date of the revaluation. make an entity providing management personnel services to the reporting entity a related party of the reporting entity. 		
7. Improvements to IFRS (2011-2013)	<p>The Improvements to IFRSs (2011-2013) contains 4 amendments to standards, with consequential amendments to other standards and interpretations. The main changes were to:</p> <ul style="list-style-type: none"> clarify the meaning of 'each IFRS effective at the end of an entity's first IFRS reporting period' as used in paragraph 7 of IFRS 1 First-time Adoption of IFRSs. clarify that the scope exemption in paragraph 2(a) of IFRS 3 Business Combinations: <ul style="list-style-type: none"> - excludes the formation of all types of joint arrangements as defined in IFRS 11 Joint Arrangements from the scope of IFRS 3; and - only applies to the financial statements of the joint venture or the joint operation itself. clarify that the portfolio exception included in paragraph 48 of IFRS 13 applies to all contracts within the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation. clarify that judgement is needed to determine whether the acquisition of investment property is the acquisition of an asset, a group of assets or a business combination in the scope of IFRS 3 and that this judgement is based on the guidance in IFRS 3. 	The Group does not expect a significant impact of the Improvements to IFRS (2010-2012).	1 July 2014



2.4. The Scope and Methods of Consolidation

2.4.1. Subsidiaries

Subsidiaries are all entities in respect of which the Group has the power to govern the financial and operating policies, generally accompanied by a majority of the voting rights. In assessing whether the Group controls a given entity, the existence and effects of potential voting rights must be assessed. On the date a Group takes control over a company, the subsidiary begins to be fully consolidated. The consolidation ceases once the Group no longer controls the entity.

Acquisitions of subsidiaries by the Group are accounted for using the purchase method. The cost of the acquisition is measured as the fair value of the consideration transferred plus any costs directly attributable to the acquisition, the recognised value of non-controlling interest in the acquiree, plus the fair value of previously held equity interest in the acquiree, less the net recognised value (fair value) of the identifiable assets acquired and assumed liabilities. Identifiable acquired assets, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date regardless of the extent of any minority interest. Excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recognised as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income.

Intra-group transactions and settlements between Group companies, as well as unrealised gains on intra-group transactions have been eliminated. Unrealised losses are also subject to elimination, unless the transaction provides evidence of an impairment loss of the asset transferred.

When necessary, accounting policies of subsidiaries have been changed to ensure consistency with the accounting policies adopted by the Group.

2.4.2. Associates

Associates are all entities over which the Group has significant influence but does not control. The Group usually possesses between 20 to 50 percent of the voting rights. Investments in associates are accounted for using the equity method and are initially recognised at cost.

The Group's share of profit of associates from the date of acquisition is recognised in the statement of comprehensive income, and its share of changes in other reserves from the date of purchase - in other reserves. The carrying amount of the investment is adjusted for the cumulative change from the date of acquisition. When the Group's share of losses of an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group ceases to recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's participation in those entities. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred.

In order to prepare the consolidated financial statements, accounting policies of associates have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

2.5. Evaluation of balances presented in foreign currencies

Transactions presented in foreign currencies are booked at the transaction date at the following foreign exchange rate:

- the rate actually applied at such date, depending on the nature of the transaction – for sale or purchase of foreign currencies or payment of receivables or payables;
- the average rate published for the currency by the National Bank of Poland at the day preceding such date.



(all amounts in PLN thousands, unless otherwise stated)

As at the balance sheet date:

- monetary items presented in foreign currencies are converted with the closing foreign exchange (FX) rates;
- non-monetary items presented in foreign currencies valued at historical cost are converted at the FX rate prevailing at the transaction date;
- non-monetary items presented in foreign currencies at fair value are converted at the FX rate prevailing at the day of determining the fair value.

Foreign exchange gains and losses resulting from settlements of transactions in foreign currencies and from the conversions of monetary assets and liabilities denominated in foreign currencies are disclosed as profit / loss of the current period.

2.6. Segment reporting

According to IFRS 8 *Operating Segments*, segment information is disclosed based on the entity's components monitored by managers to the extent of operating decision-making. An operating segment is a component of the entity, in respect of which separate financial information is available, serving the top management as a resource used in the decision-making process concerning allocation of resources and performance assessment.

The segments are identified based on specific service groups having homogenous characteristics. The presentation by operating segment follows the management approach at WSE Group level.

2.7. Property, plant and equipment

Property, plant and equipment are disclosed at the cost of purchase or production, expansion or modernisation, net of accumulated depreciation and impairment losses (principle in Note 2.9).

Purchase cost includes the cost of purchase, expansion and/or modernisation as well as external financing costs.

Depreciation is calculated for property, plant and equipment items over their estimated useful life, taking into account their residual value and using the straight-line depreciation method.

The Group uses estimated useful life periods of different types of property, plant and equipment as follows:

Property, plant and equipment type	Useful life
Buildings ¹	10-40 years
Leasehold improvements	10 years
Vehicles	5 years
Computer hardware	3-5 years
Other property, plant and equipment	5-10 years

Land is not subject to depreciation.

Individual components of property, plant and equipment with a different useful life are recognised separately and depreciated throughout the useful life taking into account their residual value.

The depreciation method, the depreciation rate and the residual value are subject to regular verification by the Group. Any changes resulting from the verification are recorded as a change in accounting estimates, prospectively.

A component of property, plant and equipment is derecognised when sold or when economic benefits from its use or disposal are no longer expected. Gains and losses on disposal / liquidation of property, plant and

¹ The Group also uses common areas of the "Centrum Giełdowe" building. Common areas (such as escalators, halls, corridors), owned in respective parts by the Exchange and other owners of the building, are managed by the Housing Community "Książęca 4" appointed for this purpose. The common areas of the building in the part owned by the Group are recognised as assets in the consolidated financial statements. The maintenance costs incurred in respect of the use of those areas of the building (such as current maintenance, repairs and refurbishments of technical equipment and installations included in common areas, electricity, security, administrative services, etc.) are recognised in the statement of comprehensive income at the time when they incurred.



(all amounts in PLN thousands, unless otherwise stated)

equipment are determined as the difference between the proceeds (if any) and the net book value of property, plant and equipment and included in the profit or loss of the period.

2.8. Intangible assets

2.8.1. Goodwill

Goodwill from acquisition is the difference between the purchase price and the fair value of the acquired net assets and identifiable contingent liabilities. After initial recognition, goodwill is disclosed at cost of purchase net of accumulated impairment losses (principle in Note 2.9). Goodwill is tested against potential impairment annually or more frequently in case of events or changes indicating potential impairment.

For impairment testing purposes, goodwill is allocated to cash generating assets which are expected to benefit from the transaction responsible for the creation of goodwill.

2.8.2. Other intangible assets

Other intangible assets are disclosed at cost of purchase or production net of accumulated amortisation and impairment losses (principle in Note 2.9).

Amortisation is calculated with the straight-line method over the estimated useful life of other intangible assets. The estimated useful life of intangible assets varies from 1 to 5 years except for the intangible assets corresponding to the UTP trading system which have an expected useful life of 12 years.

Costs of intangible assets which do not improve or extend their useful life are recognised as cost when incurred. Otherwise, the costs are capitalised.

The amortisation method and the amortisation rate are subject to regular verification by the Group. Any changes resulting from the verification are recorded as a change in accounting estimates, prospectively.

A component of intangible assets is derecognised when sold or when economic benefits from its use or disposal are no longer expected. Gains and losses on disposal / liquidation of intangible assets are determined as the difference between the net proceeds (if any) and the book value of intangible assets and included in the profit or loss of the period.

2.9. Impairment of assets

At each balance sheet date, the Group reviews assets to determine whether there are indicators of impairment except for inventories (see Note 2.12) and deferred tax assets (see Note 2.18) to which other valuation procedures apply. If such indicators are identified, the recoverable amount of an asset is estimated (as the higher of: fair value less selling costs or value in use). Value in use corresponds to the discounted value of the estimated future economic benefits which would be generated by an asset. If an asset does not generate cash flows that are independent from the cash flows generated by other assets, the analysis is performed for the group of assets generating cash flows (a cash generating unit) to which the asset belongs.

If the carrying value of an asset (or a cash generating unit) is higher than its recoverable value, impairment is recognised and the asset value is written down to recoverable value. Impairment losses are charged to the profit or loss of the period.

At the end of every reporting period, the Group checks for conditions indicating that the impairment losses recognised in previous reporting periods may be redundant or excessive. In that case, impairment losses are reversed in whole or in part and the asset value is disclosed net of the impairment losses (but including amortisation or depreciation). Impairment reversal is recognised in the profit and loss account.

Impairment of goodwill is not subject to reversal.



2.10. Financial assets

2.10.1. Classification and valuation of financial assets

The Group classifies its financial assets in the following categories: loans and receivables; available-for-sale financial assets; held-to-maturity financial assets. This classification is based on the reason for purchasing financial assets. The WSE Management Board determines the classification of financial assets at their initial recognition. Financial assets are derecognised when the right to cash flows that they generate expires or is transferred if a Group company transfers substantially all the risks and benefits of ownership.

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments to hedge FX risk. Embedded derivative instruments are separated from the host contract and disclosed separately if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the hybrid (combined) instrument is not measured at fair value with changes in fair value recognised in profit or loss.

At initial recognition of a derivative financial instrument as a hedging instrument, a Group company formally documents the relationship between the hedging instrument and the hedged position. The documentation includes the purpose of risk management and the strategy of the hedging and the hedged risk, as well as the methods that a Group company will use to evaluate the effectiveness of the hedging instrument. Both at establishment of a hedge and subsequently on a continuous basis, a Group company evaluates whether it is reasonable to expect that the hedging instruments will remain highly effective in offsetting any change of the fair value or cash flows of each hedged position due to the specific risk for which the hedge was established, and whether the actual level of each hedge is within the range of 80-125%. Hedging of cash flows from future transactions applies to future highly probable transactions which present an exposure to variations in cash flows.

Derivative financial instruments are initially recognised at fair value. Transaction costs are recognised when incurred and charged to the profit or loss of the period. After initial recognition, the Group measures derivative financial instruments at fair value while gains and losses on change of fair value are recognised as described below.

Separate embedded derivatives

Change of the fair value of separate embedded derivatives is recognised in the profit or loss of the period.

Other non-trading derivatives

If a derivative is not classified as a hedging instrument, any change of its fair value is recognised in the profit or loss of the period.

Cash flow hedges

If a derivative financial instrument is used as a cash flow hedge against a specific risk related to a recognised asset, a recognised liability or a highly probable forecast transaction that could affect the profit or loss of the period, that portion of the gains or losses on the hedging instrument which represents effective hedging is recognised in other comprehensive income and presented as a separate hedging item in equity. The ineffective portion of changes in the fair value of the derivative instrument is recognised in the profit or loss of the period. Where a hedged position is a non-financial asset, the amount accumulated under equity is added to the carrying value of the asset on its recognition. Otherwise, the amount accumulated under equity is taken to the profit or loss of the period in which the hedged position affects the profit or loss.

If a hedging instrument no longer meets the criteria of hedge accounting, expires, is sold, terminated, exercised, or its purpose changes, then the Group ceases to apply the principles of hedge accounting. If a forecast transaction is not expected, the gains and losses recognised under equity are taken to the profit or loss of the period.



Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market, other than:

- financial assets that the entity intends to sell immediately or in the short term, which are classified as held for trading, and those that the entity designates at fair value through profit or loss upon initial recognition;
- financial assets that the entity designates as available-for-sale upon initial recognition; or
- financial assets which are classified as available-for-sale, and for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Loans and receivables are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method less impairment losses, if any.

Interest on financial assets classified as loans and receivables is measured using the effective interest rate method and recognised in the profit or loss of the period as part of financial income.

Loans and advances include cash and cash equivalents as well as trade and other receivables.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are classified as available for sale or are not classified in any of the other categories of financial assets. In particular, they comprise Treasury debt securities and shares in entities over which a Group company does not exercise control or exert significant influence. They are disclosed as non-current assets unless the Management Boards of Group companies intend to sell them within 12 months after the balance sheet date.

Available-for-sale financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, available-for-sale financial assets are measured at fair value and any effect of change in the fair value other than impairment losses (see Note 2.10.2) and FX differences for available-for-sale debt instruments is recognised in other comprehensive income and presented in equity as fair value reserves. On derecognition, the cumulative profit or loss recognised in equity is taken to the profit or loss of the period.

Interest on available-for-sale securities calculated using the effective interest method is disclosed in the profit or loss of the period as part of financial income. Dividends from available-for-sale equity instruments are disclosed the profit or loss of the period as part of financial income when a Group company acquires the rights to the respective payments.

The fair value of investments listed on an active market derives from the current price. Fair value is determined based on listed prices:

- for bonds – prices on the exchange;
- for Treasury bills – the day's closing prices from Reuters;
- for shares – prices on the exchange.

If the market for a financial asset is not active (also in respect of non-listed securities), the Group determines the fair value using valuation techniques. These include the use of recent arm's length transactions, reference to transactions in other virtually identical instruments, discounted cash flow analysis and option pricing models, using market information to the maximum extent and relying on information from the entity to the minimum extent.

If available-for-sale financial assets are not quoted, they do not have a fixed maturity (equity instruments) and their fair value cannot be reliably determined, they are valued at cost net of impairment losses.



(all amounts in PLN thousands, unless otherwise stated)

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale financial assets are allocated between conversion differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The conversion differences on change in amortised cost are disclosed in the profit and loss, while other changes in the carrying amount are disclosed as other comprehensive income. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are disclosed as other comprehensive income.

Goodwill hierarchy

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

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

Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the entity intends and is able to hold to maturity, other than:

- a) classified by the entity upon initial recognition as measured at fair value and recognised in the profit or loss;
- b) classified by the entity as available-for-sale; and
- c) meeting the criteria of the definition of loans and receivables.

Held-to-maturity financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest rate method less impairment losses, if any. Disposal or reclassification of held-to-maturity financial assets in an amount greater than insignificant at a time other than close to maturity means that the Group must reclassify all held-to-maturity investments as available-for-sale investments and that the Group is not allowed to recognise acquired investments as held-to-maturity financial assets until the end of the financial year and for two subsequent financial years.

Interest on held-to-maturity financial assets is measured using the effective interest rate method and recognised in the profit or loss of the period as part of financial income.

2.10.2. Impairment of financial assets

At each balance sheet date, the Group assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of financial assets classified as available-for-sale, when determining impairment of securities, a significant or prolonged decline of a given security's fair value below cost, the financial standing and possibilities of further development of an issuer as well as the influence of the political and economic situation in the issuer's home country are taken into account. If such evidence exists in respect of available-for-sale financial assets, total cumulative losses – determined as the difference between the purchase price and present fair value less possible losses resulting from impairment recognised earlier in the statement of comprehensive income – are excluded from other comprehensive income and disclosed in the statement of comprehensive income. Losses from the impairment of equity instruments recognised earlier in the statement of comprehensive income are not reversed through the financial result.

If there is an evidence of a possible impairment of held-to-maturity investments measured at amortised cost, the amount of impairment is determined as the difference between the asset's carrying value and the present value of estimated cash flows discounted at the original effective group of assets interest rate.

If the indications of impairment cease to exist, impairment losses are reversed:



(all amounts in PLN thousands, unless otherwise stated)

- through the profit or loss of the current period – in the case of financial assets classified as held-to-maturity investments and available-for-sale financial assets which are debt securities;
- through other reserves – in the case of available-for-sale financial assets which are equity instruments.

Impairment losses on trade receivables are created when there is objective evidence that a Group company will not be able to collect all of the amounts that were due to the original terms of the receivables. The debtor's significant financial difficulties, probability of bankruptcy or creditor arrangement, delay in payments (more than 365 days) are all considered indicators that the trade receivables are impaired. The amount of the provision is the difference between the carrying amount of the asset and the present value of estimated future cash flows, discounted using the effective interest rate method.

Bad debts and allowances for doubtful receivables are written off through the profit or loss of the current period.

Receivables are written off the statement of financial position when their uncollectability has been documented:

- uncollectible decision recognised by the creditor as corresponding with the facts, issued by the appropriate authority of enforcement; or
- court decision rejecting an application for bankruptcy involving the liquidation of assets where the assets of the insolvent debtor are insufficient to cover the costs of the proceedings, or discontinuing the bankruptcy proceedings involving the liquidation of assets where the debtor's assets are insufficient to satisfy the claims of creditors, or closing bankruptcy proceedings involving the liquidation of assets; or
- report stating that the anticipated costs associated with the proceedings and enforcement of debt would be equal to or greater than the amount stated.

2.11. Other receivables

Other receivables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest rate method, net of impairment losses. Other receivables mainly comprise prepayments, deferred costs and payments for the rights to perpetual usufruct of land, which is equivalent to operating lease.

Prepayments and deferred cost items are recorded when expenditures incurred relate to products or services to be used in future periods. Prepayments and deferred costs comprise:

- long-term balances relating to future reporting periods, more than 12 months from the balance sheet date; and
- short-term balances relating to future reporting periods, up to 12 months from the balance sheet date.

Prepayments and deferred costs are recognised in the statement of comprehensive income over the lifetime of the relevant contract.

2.12. Inventories

Inventories are disclosed at the cost of purchase or acquisition, not higher than their net realisable value.

As at the balance sheet date, materials are stated at the lower of purchase price and net realisable value, less impairment losses. Impairment losses are charged to other expenses.

2.13. Cash and cash equivalents – recognised in the cash flow statements

Cash and cash equivalents include cash in hand, on-demand deposits with banks and other short-term investments with original maturities of three months or less from placement, receipt, acquisition or issue which are highly liquid or not exposed to significant change of fair value.

2.14. Equity of the Group

The Group's equity comprises:

- share capital of the parent entity disclosed at par, adjusted for hyperinflation;
- other reserves, including the revaluation reserve;
- retained earnings, comprised of:

- retained earnings from prior years (comprised of supplementary capital and other reserves formed from prior year profits); and
- profit of the current period.

In accordance with IAS 29 Financial Reporting in Hyperinflationary Economies, equity items (except for retained earnings and any surpluses on revaluation of assets) have been restated using the general price index beginning from the date on which a given equity item was contributed or otherwise formed, for the period in which the economy in which the Group carries out its operations was a hyperinflationary economy, i.e., until 31 December 1996. The effect of recalculating the appropriate equity items using the inflation ratios was reflected in retained earnings and is presented in Note 13.

2.15. Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

2.16. Financial liabilities

Financial liabilities at the balance sheet date are valued at amortised cost. The valuation is based on cost at which the liability was initially recognised less the repayment of the nominal value, adjusted for the cumulative amount of the discounted difference between the initial value and the maturity value. For instruments at floating interest rates, in relation to the next agreed re-pricing (on which the interest rate is determined), it is calculated using the effective interest rate method. The effective interest rate is the internal rate of return (IRR) of the liability, which is used for discounting future cash flows of the financial instrument to present value.

2.17. Contingent liabilities

A contingent liability is:

- a possible obligation resulting from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully under the entity's control; or
- a present obligation resulting from past events, which however is not recorded in the financial statements because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - the amount of the obligation (liability) cannot be reliably determined.

2.18. Income tax

Income tax is comprised of current and deferred tax.

Current income tax is calculated on the basis of net taxable income for a given financial year determined in accordance with the binding tax regulations and using the tax rates provided in those regulations. Net taxable income (loss) differs from accounting profit (loss) for the year due to excluding taxable income and deductible costs relating to future periods as well as cost and income items that would never be deductible or taxable.

Deferred tax is calculated using the liability method as tax payable or reimbursable in the future in respect of differences between carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax amounts used for the calculation of the tax base.

The deferred tax provisions are recorded in the full amount and are not subject to discounting.



(all amounts in PLN thousands, unless otherwise stated)

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the temporary differences could be utilised.

The amount of the deferred tax asset is analysed at each balance sheet date, and it is written down if the expected future taxable income or taxable temporary differences are not sufficient to utilise the asset in full or in part.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. The deferred tax is recognised in the statement of comprehensive income for the given period unless the deferred tax relates to transactions or events recognised in other comprehensive income or directly in equity, when it is also recognised as other comprehensive income or directly in equity.

Deferred tax assets and liabilities can be offset when the Group has an enforceable right to offset current income tax receivables and liabilities and when the deferred tax assets and liabilities relate to income tax imposed on the same taxpayer by the same tax authorities.

2.19. Employee benefits

In accordance with the remuneration system, employees of the parent entity are entitled to jubilee bonuses, retirement benefits and holiday pay. Retirement benefits are one-off payments, being a multiple of monthly remuneration (within a range from 100% to 500%, depending on the period of service and the number of months remaining to retirement age).

The cost of mandatory pension contributions is charged to the profit or loss of the period.

The Group makes provision for liabilities on account of retirement benefits and jubilee bonuses determined on the basis of an estimation of such liabilities using an actuarial model. All provisions formed are charged to the statement of comprehensive income.

The Group makes provision for liabilities arising from unused holiday leave taking into account all outstanding unused holiday days, for compensation and severance payments made to those employees whose employment contracts are terminated for reasons independent of the employee, and for employee compensation costs incurred in the current period which will be paid out in future periods, including bonuses.

Provisions for retirement benefits and jubilee bonuses are recorded on the basis of the assumptions described in detail in Note 15.

Furthermore, the parent entity has an incentive scheme, according to which employees have the right to annual bonuses dependent on the net profit and the employee's individual performance. The Group sets up provisions for bonuses in order to assign costs to the periods to which they relate. Provisions are estimated according to the best knowledge of the WSE Management Board concerning probable bonuses to be paid based on the framework of the incentive scheme.

The Company pays contributions to the Employee Pension Scheme, which employees join voluntarily based on an agreement. After payment of the contributions, the Group has no further obligations to make payments in respect to the payment to the Employee Pension Scheme. These contributions are charged to costs of employee benefits as they are incurred. Paid pension contributions are recognised as a cost of the period they relate to.

2.20. Provisions

Provisions are recorded when Group companies have a current (legal or constructive) obligation resulting from past events and it is probable that settling the obligation will result in an outflow of resources embodying economic benefits and the amount of the obligation can be reliably estimated.

Provisions are recorded in particular against the following (if the above-mentioned conditions for recording a provision have been met):

- results of pending litigation and disputes;
- future employee benefits; and



- restructuring costs.

Provisions are recorded based on the best estimates of the Management Boards of Group companies of the expenditure necessary to settle the current obligation at the balance sheet date. If the effect of changes in the time value of money is material, the provision corresponds to the present value of the expenditure which as expected would be necessary to settle the obligation.

2.21. Revenue recognition

2.21.1. Sales revenue

Sales revenue is recognised when it is likely that economic benefits will flow to the Group from transactions and the amount of revenue can be reliably measured. Sales revenue is recognised at the fair value of the consideration received or due, representing receivables for services provided in the course of ordinary business activities. Sales revenue is recognised at the time the services representing the Group's core activities are provided.

Sales revenue consists of three main business segments (lines):

- Financial market,
- Commodity market,
- Other.

Sales revenue from the **financial market** consists of:

- Revenue from trading

Trading revenue consists of the fees collected from Exchange Members on the basis of the Exchange Rules and the Alternative Trading System Rules. Trading fees are the main revenue item in this category. Trading fees depend on the value of transactions, the number of executed orders and the type of traded instruments. In addition to trading fees, flat-rate fees are charged for access to and use of the IT systems of the Exchange. Trading revenue on the financial market also includes the revenue of BondSpot from trading on the debt instrument markets operated by BondSpot.

- Revenue from listing

Listing comprises the revenue collected from issuers on the basis of the Exchange Rules and the Alternative Trading System Rules. Fees for the listing of securities are the main revenue item in this category. In addition, fees for admission to trading as well as other fees are collected from issuers. The Group's listing revenue also includes the revenue of BondSpot from issuers of instruments listed on the debt instrument markets operated by BondSpot.

- Revenue from information services:

Revenue from information services of the parent entity consist of revenue earned on the sale of stock exchange information: real-time stock exchange data and statistical and historical data in the form of a statistical e-mail daily bulletin, electronic publications, calculation of indices, index licenses and other calculations. The sale of stock exchange information is based on separate agreements signed with exchange data vendors, exchange members and other organizations, mainly financial institutions. The Group's revenue from information services also includes the revenue from BondSpot information services.

Revenues on the **commodity market** include mainly fees charged by PolPX under the Exchange Commodities Trading Rules of the Polish Power Exchange. These include mainly transaction and membership fees on the electricity, gas and property rights markets. The revenue on the commodity market also includes the fees charged by PolPX under the Rules of the Register of Certificates of Origin (mainly for issuance of property rights in certificates of origin and cancellation of certificates of origin) and by WCCH under the Rules of the Exchange



(all amounts in PLN thousands, unless otherwise stated)

Settlement Institution (mainly for clearing of transactions concluded on PolPX). In addition, the commodity market includes the revenue of WSEInfoEngine from its activity as a trade and technical and trade operator.

Other revenue is earned on other services provided by WSE including advertising services (sponsorship), lease of office space, as well as training on the stock exchange market organised according to needs. This category also includes the revenue of WSEInfoEngine from data transmission and ITT services as well as the revenue of Instytut Rynku Kapitałowego – WSE Research S.A.

2.21.2. Financial income

Financial income is comprised of gains on sale of financial assets, revenue from interest on available-for-sale and held-to-maturity financial instruments, as well as dividend income.

Interest income is recognised on a time-proportionate basis using the effective interest rate method. Dividend income is recognised at the moment of establishing the shareholders' right to receive the payment.

2.22. Bond issue expenses recognition

As an issuer of bonds, WSE pays debt service costs. Interest periods for series A and B bonds are semi-annual. Interest on bonds is calculated using the effective interest rate method. At each time there are changes in the interest rate, the Company determines a new effective interest rate that will be in effect immediately.

2.23. Leasing

A lease agreement is classified as a finance lease when the terms of the agreement transfer substantially all risks and rewards of ownership to the lessee. All remaining leases are treated as operating leases.

2.23.1. The Group as lessee – operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. If it is not expected that the legal title of the leased land will be transferred to the lessee before the end of the lease term of land, it is classified as an operating lease. In particular, operating lease agreements comprise rights to perpetual usufruct of land owned by the State Treasury.

Payments made under operating leases (net of any incentives received from the lessor) are charged to costs on a straight-line basis over the period of the leases.

2.23.2. The Group as lessee – finance lease

Finance leases are capitalised in non-current assets at the commencement of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between (deducted from) the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental payments, net of finance charges, are included as finance lease liabilities. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

3. Financial risk management

3.1. Financial risk factors

The Group's activities expose it to a variety of financial risks. The Group is exposed to the following financial risks: market risk (including cash flow and fair value interest rate risk, currency risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise any potential adverse effects on the Group's financial performance. The WSE



(all amounts in PLN thousands, unless otherwise stated)

Management Board is responsible for risk management. The Group has dedicated departments, responsible for ensuring its liquidity, including foreign currency liquidity, debt collection and timely payment of liabilities, particularly tax liabilities.

3.2. Market risk

3.2.1. Cash flow and fair value interest risk

The Group is moderately exposed to interest rate risk. The Group has short-term and long-term assets whose interest terms and profitability were determined at the inception of contracts.

In the case of rising interest rates, the Group's cash flows will increase based on higher interest from assets at floating interest rates. On the other hand, if interest rates increase, the fair value of the Group's assets at fixed interest rates will decrease while cash flows from interest due will remain unchanged. The volatility of the yield and fair value caused by the volatility of interest rates decreases as the time to maturity decreases.

The parent entity minimises interest rate risk by maintaining a low average duration for the entire Treasury bond portfolio. In the case of an increase in interest rates, the Exchange obtains higher deposit interest rates and cash flows increase, while at the same time the fair value of the bonds decreases.

Based on a sensitivity analysis, an increase/(decrease) in the market interest rate by 0.50 percentage point (assuming no other changes) would result in 2013 in an increase/(decrease) in the net profit and cash flows by PLN 741.8 thousand and an increase/(decrease) in the revaluation reserve by PLN 91.0 thousand. Accordingly, an increase/(decrease) in interest rates by 0.50 percentage point (assuming no other changes) respectively would result in 2012 in a an increase/(decrease) in the net profit and cash flows by PLN 639 thousand and an increase/(decrease) in the revaluation reserve by PLN 139.6 thousand.

The parent entity is also an issuer of bonds at floating interest rates. In the case of an increase in interest rates, WSE will be obligated to pay out interest coupons with a higher value; in the case of a decrease in interest rates, the value of those coupons will be lower.

Based on a sensitivity analysis of WIBOR 6M market interest rates, an increase/(decrease) in the market interest rate by 0.50 percentage point (assuming no other changes) would result in 2013 in an increase/(decrease) in the net profit and cash flows by PLN 1,225.0 thousand. Accordingly, an increase/(decrease) in interest rates by 0.50 percentage point (assuming no other changes) respectively would result in 2012 in an increase/(decrease) in the net profit and cash flows by PLN 1,232.5 thousand.



(all amounts in PLN thousands, unless otherwise stated)

The table below presents an analysis of financial assets based on interest rate reset dates and maturity of the assets, whichever is the earlier. The other financial assets, not represented in the table below, as well as financial liabilities (other than finance lease liabilities, bond issue liabilities and the PolPX Group's working capital loan) bear no interest.

Financial assets and liabilities as at 31 December 2013	Maturity / interest rate reset date								
	Total	Up to 1 year			1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
		Total	Up to 1 month	1 to 3 months					
Long-term bonds (fixed interest rate, available for sale)	10 620	-	-	-	-	10 620	-	-	-
Short-term bonds (fixed interest rate, available for sale)	118	118	-	-	118	-	-	-	-
Other - financial contracts	3	3	3	-	-	-	-	-	-
Bank deposits and current accounts	436 816	436 816	353 230	45 082	38 504	-	-	-	-
Total financial assets	447 557	436 937	353 233	45 082	38 622	10 620	-	-	-
Liabilities under bond issue - long-term	243 617	243 617	-	-	243 617	-	-	-	-
Total financial liabilities	243 617	243 617	-	-	243 617	-	-	-	-

Financial assets and liabilities as at 31 December 2012	Maturity / interest rate reset date								
	Total	Up to 1 year			1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
		Total	Up to 1 month	1 to 3 months					
Long-term bonds (fixed interest rate, available for sale)	10 850	-	-	-	-	10 850	-	-	-
Short-term bonds (fixed interest rate, available for sale)	118	118	-	-	118	-	-	-	-
Bank deposits and current accounts	378 862	378 862	330 889	11 647	36 326	-	-	-	-
Total financial assets	389 830	378 980	330 889	11 647	36 444	10 850	-	-	-
Liabilities under bond issue - long-term	243 157	243 157	-	-	243 157	-	-	-	-
Total financial liabilities	243 157	243 157	-	-	243 157	-	-	-	-



(all amounts in PLN thousands, unless otherwise stated)

3.2.2. Foreign exchange risk

The Group is exposed to moderate foreign exchange risk. However, because of the acquisition of the new trading system UTP, the WSE Management Board decided to secure cash flows related to the contract for the delivery of the system. The details are presented in Note 3.6.

Based on the results of an analysis of sensitivity to changes of the average foreign exchange rates as at 31 December 2013, a 10% decrease/increase in the average exchange rate of: EUR (i.e., PLN 0.4147), GBP (i.e., by PLN 0.4983) assuming no other changes would result in a decrease/increase in the net profit for 2013 by PLN 2,904 thousand. Based on the results of an analysis as at 31 December 2012, a 10% decrease/increase in the average exchange rate of: EUR (i.e., PLN 0.4088), GBP (i.e., by PLN 0.5012), US\$ (i.e., by PLN 0.3100) would result in a decrease/increase in the net profit for 2012 by PLN 6,215 thousand.

The tables below summarise the Group's exposure to FX rates:

As at 31 December 2013					
	PLN	EUR*	USD*	Other*	Total carrying amount in PLN
Available-for-sale Treasury bonds**	10 738	-	-	-	10 738
Cash and cash equivalents***	408 515	13 331	-	14 985	436 831
Trade receivables (net)	25 653	4 675	-	-	30 328
Total financial assets	444 906	18 006	-	14 985	477 897
Trade payables	8 789	3 801	-	148	12 738
Liabilities on bonds issue	243 617	-	-	-	243 617
Finance lease liabilities	804	-	-	-	804
Liabilities of the WCCH guarantee fund***	125 326	-	-	-	125 326
Dividends payable	170	-	-	-	170
Total financial liabilities	378 706	3 801	-	148	382 655
Net balance (assets-liabilities)	66 200	14 205	-	14 837	95 242

* Amounts converted to PLN at the rate as at the balance date.

** Including accrued interest.

*** Deposits and liabilities of PLN 125,326 thousand as at 31 December 2013 were in respect of the WCCH guarantee fund securing execution of transactions on the energy market.

As at 31 December 2012					
	PLN	EUR*	USD*	Other*	Total carrying amount in PLN
Available-for-sale Treasury bonds**	10 968	-	-	-	10 968
Cash and cash equivalents***	320 878	58 005	-	-	378 883
Trade receivables (net)	28 923	4 442	-	1	33 366
Total financial assets	360 769	62 447	-	1	423 217
Trade payables	3 993	233	58	-	4 284
Liabilities on bonds issue	243 157	-	-	-	243 157
Finance lease liabilities	717	-	-	-	717
Liabilities of the WCCH guarantee fund***	121 489	-	-	-	121 489
Dividends payable	159	-	-	-	159
Total financial liabilities	369 515	233	58	-	369 806
Net balance (assets-liabilities)	(8 746)	62 214	(58)	1	53 411

* Amounts converted to PLN at the rate as at the balance date.

** Including accrued interest.

*** Deposits and liabilities of PLN 121,489 thousand as at 31 December 2012 were in respect of the WCCH guarantee fund securing execution of transactions on the energy market.



(all amounts in PLN thousands, unless otherwise stated)

3.2.3. Price risk

The Group is exposed to price risk of debt and equity securities due to investments held by the Group and presented in the financial statements as available-for-sale financial assets. The Group is not exposed to price risk caused by the volatility of prices of mass goods.

Debt securities purchased by the Group have a fixed redemption price and are characterised by low risk. Potential changes to their market prices depend on changes in interest rates, the impact of which is presented in Note 3.2.1 above.

3.3. Credit risk

Credit risk is defined as a risk of occurrence of losses due to a counterparty's default of payments or as a risk of decrease in economic value of amounts due as a result of deterioration of a counterparty's ability to pay due amounts.

Credit risk connected with trade receivables is mitigated by the Management Board of the parent entity by performing on-going assessment of counterparties' credibility. In the opinion of the Management Board of the parent entity, there is no material concentration of credit risk of trade receivables within the Group. Resolutions of the Management Board of the parent entity, which are binding in the Group, set payment dates that differ depending on groups of counterparties. These payment dates amount to 21 days for most counterparties, however, for data vendors, they are most often 60 days. The Group has put in place a procedure of collecting receivables under which amounts due are monitored and collected.

The credibility of counterparties is verified in accordance with internal regulations of WSE and general laws concerning the capital market as applicable to issuers of securities and Exchange Members.

By decision of the Management Board of the parent entity, the portfolio of debt securities comprises only securities issued or guaranteed by the State Treasury (rating A2 according to Moody's). In this way, exposure to the risk of lost benefits or loss is mitigated.

In the case of banks and financial institutions (especially term deposits and bank accounts), only entities with a high rating and stable market position are acceptable (i.e., Moody's rating higher than Baa2). Credit risk of cash is managed by the Group by diversifying banks in which free cash is deposited.

The maximum exposure of the Group to credit risk is reflected in the carrying value of trade receivables, bank deposits held and the value of the portfolio of purchased debt securities.

The table below summarises the Group's exposure to credit risk:

	As at	
	31 December 2013	31 December 2012
Available-for-sale financial assets	21 073	11 301
Long-term	20 955	11 183
Short-term	118	118
Deposits and receivables	467 144	412 228
Trade receivables (net)	30 328	33 366
Bank deposits and current accounts (included in cash and cash equivalents)*	436 816	378 862
Total financial assets	488 217	423 529

*Deposits of PLN 125,326 thousand as at 31 December 2013 and PLN 121,489 as at 31 December 2012 were cash of the WCCH guarantee fund securing execution of transactions on the energy market.



(all amounts in PLN thousands, unless otherwise stated)

3.4. Liquidity risk

Analysis of the Group's financial position and assets shows that the Group is not materially exposed to liquidity risk.

Analysis of the structure of the Group's assets shows a considerable share of liquid assets and, thus, a very good position of the Group in terms of liquidity. Cash and cash equivalents and debt securities of the Group amounted to PLN 447,569 thousand as at 31 December 2013 (PLN 389,851 thousand as at 31 December 2012), representing 42.26% of the total assets as at 31 December 2013 (40.65% as at 31 December 2012). Analysis of the structure of liabilities shows the following share of equity in the financing of the operations of the Group: equity accounted for 60.25% of total liabilities and equity as at 31 December 2013 (57.96% as at 31 December 2012).

The Management Board of the parent entity monitors, on an on-going basis, forecasts of the Group's liquidity on the basis of contractual cash flows, based on the current interest rates.

Liquidity analysis based on the contractual cash flows is presented in the following tables:

	As at 31 December 2013						
	Up to 1 month	1-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	Total
Available-for-sale Treasury bonds and bills	-	-	-	625	10 625	-	11 250
Bank deposits and current accounts and cash in hand*	353 245	45 082	29 795	8 709	-	-	436 831
Trade receivables (net)	26 901	3 427	-	-	-	-	30 328
Total assets	380 146	48 509	29 795	9 334	10 625	-	478 409
Trade payables	12 739	-	-	-	-	-	12 739
Liabilities on bonds issue	-	-	4 729	4 802	264 110	-	273 641
Finance lease liabilities	31	64	81	191	437	-	804
Liabilities of the WCCH guarantee fund**	125 326	-	-	-	-	-	125 326
Dividends payable	170	-	-	-	-	-	170
Total liabilities	138 266	64	4 810	4 993	264 547	-	412 680
Liquidity surplus/gap	241 880	48 445	24 985	4 341	(253 922)	-	65 729

* Deposits of PLN 125,326 thousand as at 31 December 2013 were cash of the WCCH guarantee fund securing execution of transactions on the energy market.

** Includes dividend payable and liabilities of WCCH in respect of a guarantee fund securing execution of transactions on the regulated market that was created by WCCH in the amount of PLN 125,326 thousand in accordance with Article 68d of the Act on trading in financial instruments of 29 July 2005.



(all amounts in PLN thousands, unless otherwise stated)

As at 31 December 2012							
	Up to 1 month	1-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	Total
Available-for-sale Treasury bonds and bills	-	-	-	625	11 250	-	11 875
Bank deposits and current accounts and cash in hand*	322 460	20 097	12 000	24 326	-	-	378 883
Trade receivables (net)	29 589	3 777	-	-	-	-	33 366
Total assets	352 049	23 874	12 000	24 951	11 250	-	424 124
Trade payables	4 284	-	-	-	-	-	4 284
Liabilities on bonds issue	-	-	-	12 912	283 938	-	296 850
Finance lease liabilities	27	55	84	170	381	-	717
Loans and borrowings	13	-	-	-	-	-	13
Liabilities of the WCCH guarantee fund**	121 489	-	-	-	-	-	121 489
Dividends payable	159	-	-	-	-	-	159
Total liabilities	125 972	55	84	13 082	284 319	-	423 512
Liquidity surplus/gap	226 077	23 819	11 916	11 869	(273 069)	-	612

*Deposits of PLN 121,489 thousand as at 31 December 2012 were cash of the WCCH guarantee fund securing execution of transactions on the energy market.

**Includes dividend payable and liabilities of WCCH in respect of a guarantee fund securing execution of transactions on the regulated market that was created by WCCH in the amount of PLN 121,489 thousand in accordance with Article 68d of the Act on trading in financial instruments of 29 July 2005.

3.5. Capital management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide optimum returns to the shareholders and benefits to other stakeholders. The Group maintains sufficient liquidity to pay its liabilities in a timely manner. The risk of delays in timely payment of liabilities is minimal.

3.6. Hedge accounting

The Management Board of the parent entity has decided to hedge cash flows under the agreement for the delivery of a new trading system to WSE. As at 1 January 2012, the Company held the full amount in EUR against future payables for the acquisition of a new trading system. Considering that the cash in EUR is held against future payables, the Company has decided to recognise the cash held in the currency as a hedging instrument which hedges the cash flow risk of future payables arising from foreign exchange differences. Following the payment for UTP made in 2013, hedge accounting covers cash for the UTP-Derivatives module which offers extended functionalities for trading in derivatives - amount disclosed in Note 23.

4. Critical judgments and accounting estimates

Estimates and accounting judgments are subject to on-going verification. Estimates and judgments adopted for the purpose of preparing the financial statements are based on historical experience, analyses and predictions of future events, which to the best knowledge of the Management Board of the parent entity are believed to be reasonable in the given situation.

4.1. Economic useful life for property, plant and equipment and intangible assets

The Group determines the estimated economic useful life and depreciation and amortisation rates for property, plant and equipment and intangible assets. These estimates are based on the anticipated periods for using the individual groups of property, plant and equipment and intangible assets. The adopted economic useful life may



(all amounts in PLN thousands, unless otherwise stated)

undergo considerable changes as a result of new technological solutions appearing on the market, plans of the Management Board of the parent entity or intensive use.

4.2. Calculation of allowances for trade receivables

Detailed information on the method of calculation of allowances for trade receivables is presented in the Note 2.10.2, and detailed information on allowances made for trade receivables is presented in Note 10.

4.3. Goodwill impairment test

The cash flow generating unit, to which goodwill has been allocated, is subject to annual impairment tests. They are conducted using the discounted cash flows method based on financial forecasts. Forecasts are based on a number of assumptions, of which some (among others those relating to observable market data such as macroeconomic conditions) are beyond control of the Group.

The assumptions of goodwill impairment tests are described in Note 6.

4.4. Provisions

The Group creates provisions when companies of the Group have a current legal or customarily expected obligation resulting from past events and it is likely that the performance of such obligation will require an outflow of resources containing economic benefits and the amount of such obligation can be reliably estimated. The Group creates provisions based on the best estimates of the Management Boards of companies of the Group in the amount of expenditures necessary to perform the current obligation as at the balance sheet date. If the effect of change of the value of money in time is significant, the amount of provisions corresponds to the present value of expenditures which are expected to be necessary to perform the obligation.

5. Property, plant and equipment

The tables below present changes of the net book value of property, plant and equipment by category.

	Year ended 31 December 2013				
	Land and buildings	Vehicles and machinery	Furniture, fittings and equipment	Property, plant and equipment under construction	Total
Net carrying value - opening balance	89 661	16 102	3 386	23 966	133 115
Additions	-	737	3 770	9 474	13 981
Reclassification	464	18 427	264	(27 895)	(8 740)
Disposals	-	(219)	(383)	-	(602)
Depreciation charge (Note 9)	(2 877)	(9 473)	(1 362)	-	(13 712)
Net carrying value - closing balance	87 248	25 574	5 675	5 546	124 042
As at 31 December 2013:					
Gross carrying value	120 642	76 715	13 429	5 545	216 331
Accumulated depreciation	(33 394)	(51 141)	(7 754)	-	(92 289)
Net carrying value	87 248	25 574	5 675	5 545	124 042



(all amounts in PLN thousands, unless otherwise stated)

	Year ended 31 December 2012				
	Land and buildings	Vehicles and machinery	Furniture, fittings and equipment	Property, plant and equipment under construction	Total
Net carrying value - opening balance	91 657	18 902	1 527	16 586	128 672
Additions	-	637	1 038	11 807	13 482
Additions - acquisition of PolPX	28	1 016	1 759	-	2 803
Reclassification	563	3 792	72	(4 427)	-
Disposals	-	(589)	(60)	-	(649)
Depreciation charge	(2 587)	(7 656)	(950)	-	(11 193)
Net carrying value - closing balance	89 661	16 102	3 386	23 966	133 115
As at 31 December 2012:					
Gross carrying value	120 079	70 614	10 370	23 966	225 030
Accumulated depreciation	(30 418)	(54 512)	(6 984)	-	(91 915)
Net carrying value	89 661	16 102	3 386	23 966	133 115

6. Intangible assets

The tables below present changes of the net book value of intangible assets by category.

	Year ended 31 December 2013			
	Licences	Copyrights	Goodwill	Total
Net carrying value - opening balance	35 617	1 562	172 366	209 545
Additions	71 664	32	8	71 704
Disposals	(84)	-	-	(84)
Amortisation charge (Note 14)	(11 379)	(631)	-	(12 010)
Net carrying value - closing balance	95 817	963	172 374	269 155
As at 31 December 2013:				
Gross carrying value	186 490	3 434	172 374	362 298
Accumulated amortisation	(90 672)	(2 471)	-	(93 143)
Net carrying value	95 818	963	172 374	269 155



(all amounts in PLN thousands, unless otherwise stated)

	Year ended 31 December 2012			
	Licences	Copyrights	Goodwill	Total
Net carrying value - opening balance	25 802	2 298	32 521	60 621
Additions	15 139	-	-	15 139
Additions - acquisition of PolPX	1 765	-	147 792	149 557
Disposals/ Impairment	(2 437)	(17)	(7 946)	(10 400)
Amortisation charge	(4 652)	(719)	-	(5 371)
Net carrying value - closing balance	35 617	1 562	172 366	209 545
As at 31 December 2012:				
Gross carrying value	113 860	3 827	180 312	297 999
Impairment	-	-	(7 946)	(7 946)
Accumulated amortisation	(78 243)	(2 265)	-	(80 509)
Net carrying value	35 617	1 562	172 366	209 545

The amount of PLN 71,704 thousand concerns mainly additions in respect of the continuation of the UTP project (new trading system) at WSE. The new trading system has been in operation since 15 April 2013. The total value of the project is PLN 115,431 thousand, including PLN 19,310 thousand of property and equipment and PLN 96,121 thousand of intangible assets.

Goodwill at PLN 172,374 thousand as at 31 December 2013 included the following:

- goodwill from WSE's taking control of BondSpot S.A.: PLN 22,986 thousand,
- goodwill from WSEInfoEngine's acquisition of the Electricity Trading Platform (poe): PLN 1,589 thousand,
- goodwill from WSE's taking control of the Polish Power Exchange: PLN 147,792 thousand,
- goodwill from WSE's taking control of WSE Commodities Sp. z o.o.: PLN 8 thousand.

As at 27 December 2012, the WSE Management Board decided to discontinue organising trading in exchange commodities on the poee WSE Energy Market as of the end of Q1 2013. The decision stems from the WSE Group's strategy, which provides for concentration of trade in commodities on the markets organised by the Polish Power Exchange. On 8 February 2013, the WSE Management Board decided to recognise full impairment of the goodwill of poee. As a consequence, as at 31 December 2012, a poee goodwill impairment loss write-off was recognised at PLN 7,946 thousand, which is attributable to the operation of trade on the poee WSE Energy Market. The amount was included in the other expenses of the Group. As at 31 December 2012, the unimpaired goodwill of poee stood at PLN 1,589 thousand. It was attributable to the activity of the trade and technical and trade operator carried out by WSE InfoEngine S.A.

As at 31 December 2013, impairment of the goodwill from the acquisition of an organised part of the enterprise of ELBIS Sp. z o.o. known as the Electricity Trade Platform (poe) by WSE InfoEngine S.A. was tested by estimating the use value based on the discounted cash flows (DCF) method according to the five-year financial plan for 2014-2018.

The calculation was based on the following key assumptions:

- weighted average cost of capital (WACC): 9.03% (based on: market data of 10Y bond yields; beta: 1 – company not listed, no directly comparable companies; risk premium: 5.5%);
- growth rate of cash flows after the projection period: 2% (based on the estimated long-term growth rate of Polish GDP).

Furthermore, the following other assumptions were used:



(all amounts in PLN thousands, unless otherwise stated)

- CAGR of sales revenues in the period under review: 2.2%;
- CAGR of operating expenses the period under review: 4.0%.

The analysis included the following core cash flows resulting among others from the following categories of revenues and expenses:

- revenues from the activities of the Trade Operator;
- revenues from the activities of the Trade and Technical Operator;
- operating expenses of the OH segment (consumption of materials and energy, external service charges, fees and charges, salaries, social security and other benefits, other cost categories).

Based on the analysis, the WSE Management Board identified no impairment of goodwill from the acquisition of an organised part of the enterprise of ELBIS Sp. z o.o. known as the Electricity Trade Platform (poe) by WSE InfoEngine S.A. as at 31 December 2013.

As at 31 December 2012, impairment of the goodwill from the acquisition of an organised part of the enterprise of ELBIS Sp. z o.o. known as the Electricity Trade Platform (poe) by WSE InfoEngine S.A. was tested by estimating the use value based on the discounted cash flows (DCF) method according to the five-year financial plan for 2013-2017. Based on the analysis, the WSE Management Board identified no impairment of goodwill from the acquisition of an organised part of the enterprise of ELBIS Sp. z o.o. known as the Electricity Trade Platform (poe) by WSE InfoEngine S.A. as at 31 December 2012.

As at 31 December 2013, impairment of the goodwill from the acquisition of the controlling interest in **BondSpot S.A.** was tested by estimating the use value based on the discounted cash flows (DCF) method according to the five-year financial plan for 2014-2018.

The calculation was based on the following key assumptions:

- weighted average cost of capital (WACC): 8.40% (based on: market data of 10Y bond yields; beta: comparable companies; risk premium: 5.5%);
- growth rate of cash flows after the projection period: 2% (based on the estimated long-term growth rate of Polish GDP).

Furthermore, the following other assumptions were used:

- CAGR of sales revenues in the period under review: 11.4%;
- CAGR of operating expenses the period under review: 7.1%.

The analysis included the following core cash flows resulting among others from the following categories of revenues and expenses:

- fees and commissions charged to members and participants of the Regulated OTC Market and the Alternative Trading System (fixed fees and transaction fees);
- fees charged to issuers of securities listed on the Regulated OTC Market and the Alternative Trading System;
- revenues from Treasury BondSpot Poland;
- revenues from information services;
- operating expenses (consumption of materials and energy, external service charges, fees and charges, salaries, social security and other benefits, other cost categories).

Based on the analysis, the WSE Management Board identified no impairment of goodwill of BondSpot S.A. as at 31 December 2013.

As at 31 December 2012, impairment of the goodwill from taking control of BondSpot S.A. was tested by estimating the use value based on the discounted cash flows (DCF) method according to the five-year financial plan for 2013-2017. Based on the analysis, the WSE Management Board identified no impairment of goodwill of BondSpot S.A. as at 31 December 2012.



(all amounts in PLN thousands, unless otherwise stated)

As at 31 December 2013, impairment of the goodwill from taking control of the **PolPX Group** was tested by estimating the use value based on the discounted cash flows (DCF) method according to the five-year financial plan for 2014-2018.

The calculation was based on the following key assumptions:

- weighted average cost of capital (WACC): 8.40% (based on: market data of 10Y bond yields; beta: comparable companies; risk premium: 5.5%);
- growth rate of cash flows after the projection period: 2% (based on the estimated long-term growth rate of Polish GDP).

Furthermore, the following other assumptions were used:

- CAGR of sales revenues in the period under review: 6.9%;
- CAGR of operating expenses the period under review: 3.8%.

The analysis included the following core cash flows resulting among others from the following categories of revenues and expenses:

- revenues from spot and forward transactions in electricity;
- revenues from spot and forward transactions in gas;
- revenues from transactions in property rights in certificates of origin;
- other fees paid by participants;
- revenues from operation of the register of certificates of origin;
- revenues from clearing;
- operating expenses (consumption of materials and energy, external service charges, fees and charges, salaries, social security and other benefits, other cost categories).

Based on the analysis, the WSE Management Board identified no impairment of goodwill of the PolPX Group as at 31 December 2013.

As at 31 December 2012, impairment of the goodwill from taking control of the PolPX Group was tested by estimating the use value based on the discounted cash flows (DCF) method according to the five-year financial plan for 2013-2017. Based on the analysis, the WSE Management Board identified no impairment of goodwill of the PolPX Group as at 31 December 2012.

7. Investment in associates

The parent entity held investments in the following associates as at 31 December 2013 and as at 31 December 2012: Krajowy Depozyt Papierów Wartościowych S.A. and Centrum Giełdowe S.A.

The tables below present changes of value of the Group's investments in associates in 2013 and 2012 as well as the value of such investments as at 31 December 2013 and as at 31 December 2012.

	Year ended 31 December 2013	Year ended 31 December 2012
Opening balance	151 213	147 894
Dividends	(4 250)	(7 084)
Share of profit*	12 494	9 243
Other additions / (decreases)	(240)	(277)
Share in other comprehensive income	(677)	1 437
Closing balance	158 540	151 213

* Net profit



(all amounts in PLN thousands, unless otherwise stated)

	As at	
	31 December 2013	31 December 2012
KDPW Group	142 232	134 845
Centrum Giełdowe S.A.	16 308	16 367
Total	158 540	151 212

Selected data of the associates as at 31 December 2013 and as at 31 December 2012 are as follows:

	As at / Year ended 31 December 2013					
	Assets	Equity	Liabilities	Revenue	Profit (loss) for the year	The Group's share in associate's profit (loss)
KDPW Group *	1 735 259	426 677	1 308 582	137 920	36 078	12 026
Centrum Giełdowe	80 643	65 784	14 859	15 965	1 890	468

* Presented KDPW Group's consolidated results.

	As at / Year ended 31 December 2012					
	Assets	Equity	Liabilities	Revenue	Profit (loss) for the year	The Group's share in associate's profit (loss)
KDPW Group *	1 534 212	404 399	1 129 813	120 931	24 613	8 204
Centrum Giełdowe	85 211	66 024	19 187	17 069	4 191	1 039

* Presented KDPW Group's consolidated results according to IAS/IFRS. As at 31 December 2012, the KDPW Group recognised a goodwill impairment loss of the company (poe) in the amount of PLN 4,222 thousand, which is charged to KDPW Group's net profit for the year 2012. The impairment affected the share of profits of associates, and thus the net result of the WSE Group in the amount of PLN 1,407 thousand.

In accordance with Article 4.3 of the Statute of KDPW S.A., the company has only registered shares. The registered offices of KDPW S.A. and Centrum Giełdowe S.A. are located in Poland.

8. Deferred tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same authority.

Changes in the gross deferred tax assets balance are as follows:

	Period	
	12 months ended 31 December 2013	12 months ended 31 December 2012
Deferred tax assets (net) - opening balance	(3 155)	(3 110)
Effect on acquisition of PolPX	-	(87)
(Charged to) / Recognition in the financial statement	3 528	677
(Charged to) / Recognition in other comprehensive income	693	(635)
Deferred tax assets (net) - closing balance	1 066	(3 155)



(all amounts in PLN thousands, unless otherwise stated)

Deferred tax assets (without offsetting) are as follows:

	As at	
	31 December 2013	31 December 2012
Recognition in the statement of comprehensive income	(5 944)	(5 507)
Unused holiday	(292)	(440)
Jubilee bonuses and retirement benefits	(1 004)	(986)
Annual and merit awards	(1 670)	(1 746)
Impairment on interests	(1 127)	(1 108)
Interest paid on bonds purchase	(27)	(27)
Difference between accounting and tax value of property, plant and equipment and intangible assets	-	(494)
Impairment allowance for receivables	(379)	(166)
Advisory services	(14)	(13)
Other	(1 431)	(527)
Recognition in other comprehensive income	(108)	(840)
Hedge accounting	(108)	(840)
Total deferred tax assets	(6 052)	(6 347)

Deferred tax liabilities (without offsetting) are as follows:

	As at	
	31 December 2013	31 December 2012
Charge to the statement of comprehensive income	7 008	3 044
Financial income	325	466
Difference between accounting and tax value of property, plant and equipment and intangible assets	6 158	1 600
Non-realised foreign exchange differences	-	488
Other	525	490
Charge to other comprehensive income	109	148
Fair value of debt securities	109	148
Total deferred tax liabilities	7 117	3 192



(all amounts in PLN thousands, unless otherwise stated)

9. Available-for-sale financial assets

The table below presents changes of available-for-sale financial assets in 2013 and 2012.

	Period	
	12 months ended 31 December 2013	12 months ended 31 December 2012
Opening balance	11 301	68 446
Additions (purchase of shares, Treasury bonds and bills and valuation of discount, premium and interests)	10 081	1 454
Decrease (redemption of Treasury bonds and bills, interest received)	-	(58 004)
Reclassification from portfolio of available-for-sale financial assets	-	(647)
Decreases (sale of Treasury bonds, bills and shares)	-	(16)
Change in fair value - recognised in total comprehensive income	(309)	68
- shares	(103)	(270)
- Treasury bonds and bills	(206)	338
Closing balance	21 073	11 301
Long-term	20 955	11 183
Short-term	118	118

The parent entity has in its financial assets portfolio 10Y Treasury bonds (issue no. DS1015) with a nominal value of PLN 10,000,000. The bonds bear interest at a fixed rate of 6.25% paid annually. The bonds mature on 24 October 2015. WSE classifies Treasury bonds as available-for-sale financial assets. The fair value of bonds at a balance sheet date is measured at the current purchase price of the instrument based on market quotations.

The table below presents available-for-sale financial assets by short-term and long-term assets.

	As at	
	31 December 2013	31 December 2012
Interest:		
S.C. SIBEX - Sibiu Stock Exchange S.A.	230	333
Aquis Exchange	10 105	-
Treasury bonds fixed rate	10 620	10 850
Long-term financial assets	20 955	11 183
Treasury bonds fixed rate	118	118
Short-term financial assets	118	118
Total long-term and short-term financial assets	21 073	11 301



(all amounts in PLN thousands, unless otherwise stated)

Long-term equity financial assets available-for-sale include the following:

As at 31 December 2013				
	Value at cost	Impairment	Revaluation	Carrying value
Innex	3 820	(3 820)	-	-
S.C. SIBEX - Sibiu Stock Exchange S.A.	1 343	(1 011)	(103)	230
Aquis Exchange Limited	10 105	-	-	10 105
Total equity financial assets	15 268	(4 831)	(103)	10 335

As at 31 December 2012				
	Value at cost	Impairment	Revaluation	Carrying value
Innex	3 820	(3 820)	-	-
S.C. SIBEX - Sibiu Stock Exchange S.A.	1 343	(1 011)	-	333
Total equity financial assets	5 163	(4 831)	-	333

WSE acquired a stake in the Ukrainian Stock Exchange Innex in July 2008. The intention of WSE was to transform Innex into a state-of-the-art platform of trading in Ukrainian securities and subsequently also derivatives. Impairment of the shares of Innex at PLN 3,820 thousand (equal to the total value of the investment) was written off in 2008 due to the following:

- deep economic crisis in Ukraine, which significantly affected the market outlook and prevented WSE from pursuing an active policy on the Ukrainian capital market; and
- significant decrease in the number of privatisations, which are currently Innex's main stream of revenue, which caused Innex's loss for 2008.

The shares of Innex are not listed on any market and, consequently, it is not possible to sell them in the short term. The financial results of Innex for 2013 do not meet the conditions of reversal of the impairment loss for the shares of Innex as at 31 December 2013.

S.C. SIBEX – Sibiu Stock Exchange S.A. (SIBEX) has been listed on S.C. SIBEX – Sibiu Stock Exchange S.A. (SIBEX) since 2010. The purchase price of SIBEX shares was PLN 1,343 thousand, while as at 31 December 2013 the fair value based on the share price was PLN 230 thousand. Due to the consolidated loss of the SIBEX Group for 2011, the separate loss of SIBEX for three quarters of 2012, and a more than double decline in the share price over the period 2010-2013, the WSE Management Board decided to recognise a goodwill impairment loss of the interest in SIBEX at PLN 1,011 thousand as at 31 December 2012.

Innex has its registered office in Ukraine. SIBEX has its registered office in Romania.

WSE and Aquis Exchange Limited signed an agreement concerning acquisition of new issue shares of Aquis Exchange Limited on 19 August 2013. The agreement concerned the acquisition of 384,025 ordinary shares of new issue for GBP 13.02 per share; acquisition of the remaining 230,416 shares is subject to approval of UK's Financial Services Authority for Aquis Exchange to engage in operating activities and subject to approval of the Polish Financial Supervision Authority for WSE to acquire more than 30% of Aquis shares. The price of the first subscription for 153,609 shares was GBP 2 million. The total price of 384,025 of Aquis Exchange to WSE will be GBP 5 million. Aquis Exchange Limited was authorised by the UK's Financial Services Authority and launched operations in November 2013. The Company did not receive the UK's Financial Services Authority authorisation to increase its stake in Aquis Exchange Limited to between 30% and 50% of shares and votes by 31 December 2013. The Company received the authorisation on 12 February 2014, details in Note 34.

The fair value of shares of exchange-listed companies is recognised at the trading price.

As at 31 December 2013, the fair value of the company was determined on the basis of the trading price.

As there is no active market for shares of Innex and it is not possible to reliably determine the fair value of the shares, they were recognised at cost net of the impairment loss.



(all amounts in PLN thousands, unless otherwise stated)

The shares of Aquis Exchange were stated at cost as at 31 December 2013 and could not be stated at fair value under the accounting policy of the Group.

As at 31 December 2013, the valuation of all available-for-sale financial assets of the Group is based on input data classified as level 1 in the goodwill hierarchy.

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

As at 31 December 2012						
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total (Level 1-3)
Treasury bonds	10 968	10 968	10 968	-	-	10 968
Equity financial assets	333	333	333	-	-	333
<i>Sibex</i>	333	333	333	-	-	333
Toatl	11 301	11 301	11 301	-	-	11 301

10. Trade and other receivables

Trade and other receivables include the following:

As at		
	31 December 2013	31 December 2012
<i>Gross trade receivables</i>	32 807	34 532
<i>Impairment allowances for receivables</i>	(2 479)	(1 166)
Net trade receivables	30 328	33 366
Dividends receivable	-	-
Total financial assets	30 328	33 366
Short-term prepayments	3 656	2 078
Other receivables and advance payments	172	2 739
Receivables from statutory settlements*	636	24 747
Total non-financial assets	4 464	29 563
Total trade and other receivables	34 792	62 929



(all amounts in PLN thousands, unless otherwise stated)

10.1. Trade receivables

Trade receivables by credit quality are as follows:

Gross trade receivables	Current receivables (no impairment)	Overdue receivables (no impairment)				Impaired and overdue receivables
		1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	
As at 31 December 2013	27 760	1 115	228	519	706	2 479
As at 31 December 2012	30 692	1 108	-80	103	1 543	1 166

Trade receivables which are neither overdue nor impaired include mainly receivables from Exchange Members (banks and brokerage houses) and receivables from issuers of securities as well as receivables for other services.

The table below presents trade receivables which are neither overdue nor impaired by type of debtor:

	As at 31 December	
	2013	2012
Exchange Members	22 484	13 721
Issuers*	829	739
Other*	4 681	16 232
Total	27 994	30 692

* receivables from debtors who are at the same time Exchange Members and Issuers or Exchange Members and Data Vendors are presented under receivables from Exchange Members

Receivables from Exchange Members include receivables from Polish and foreign banks and brokerage houses, whose risk rating are presented in the table below. Due to the fact that the Group does not have its own credit rating system, external credit ratings were used. If a single debtor had no credit rating, the rating of the parent company of the debtor was used.

The table below presents receivables from Exchange Members by Moody's ratings:

	As at 31 December	
	2013	2012
Aa	174	176
A	7 105	3 984
Baa	5 181	4 155
Ba	810	452
B	19	6
No rating	9 195	4 948
Total	22 484	13 721

Receivables from issuers include fees due from companies listed on WSE.

Other trade receivables include mainly fees for information services and other sales.

As at 31 December 2013, gross trade receivables at PLN 5,047 thousand (31 December 2012 – PLN 3,840 thousand) were overdue. Of this amount, overdue receivables from debtors in bankruptcy were at PLN 611 thousand and other past due receivables were PLN 4,436 thousand.

As at 31 December 2012, overdue receivables from debtors in bankruptcy were at PLN 432 thousand and other past due receivables were PLN 3,408 thousand.

As at 31 December 2013, trade receivables which were overdue and impaired amounted to PLN 2,479 thousand (PLN 1,166 thousand as at 31 December 2012). The balance includes PLN 611 thousand of receivables from



(all amounts in PLN thousands, unless otherwise stated)

bankrupt debtors and PLN 1,868 thousand of other overdue receivables (as at 31 December 2012: PLN 432 thousand of receivables from bankrupt debtors and PLN 730 thousand of other overdue receivables).

The table below presents the impairment loss on receivables in 2012-2013.

	Period	
	12 months ended 31 December 2013	12 months ended 31 December 2012
Opening balance	1 166	4 018
Initial impairment allowances	1 402	272
Receivables written off during the period as uncollectible	-	(7)
Reversal of impairment allowance	(89)	(3 117)
Closing balance	2 479	1 166

The creation and reversal of impairment allowance for receivables was recognised as other expenses or other income, respectively. The amounts that are charged to the impairment allowance account are typically written off if the cash is not expected to be collected, i.e., it is highly probable that the debtor will declare bankruptcy, will be subject to financial restructuring or when the debtor has significant financial difficulties.

The Group has no collateral on receivables. None of the trade receivables were renegotiated.

Gross trade receivables by geographical concentration:

	As at	
	31 December 2013	31 December 2012
Domestic receivables	22 824	27 310
Foreign receivables	9 983	7 222
Total	32 807	34 532

The table below presents the Group's eight biggest receivables balances as at 31 December 2013 as well as the Group's receivables balance for these debtors as at 31 December 2012:

	As at 31 December 2013	Share	As at 31 December 2012	Share
Contractor A	1 393	4%	1 655	5%
Contractor B	1 376	4%	1 604	5%
Contractor C	1 037	3%	1 375	4%
Contractor D	977	3%	1 286	4%
Contractor E	937	3%	1 172	3%
Contractor F	800	2%	1 138	3%
Contractor G	775	2%	1 055	3%
Contractor H	650	2%	945	3%
Other contractors	24 862	77%	24 302	70%
Total gross trade receivables	32 807	100%	34 532	100%

In the opinion of the Management Board of the parent entity, due to the trade receivables due date, the fair value of those receivables is close to their book value



(all amounts in PLN thousands, unless otherwise stated)

11. Non-current prepayments

As at 31 December 2013, non-current prepayments amounted to PLN 3,729 thousand (as at 31 December 2012: PLN 3,793 thousand).

Non-current prepayments related mainly to the right to perpetual usufruct of land (PLN 2,861 thousand as at 31 December 2013, PLN 2,976 thousand as at 31 December 2012).

The current portion of prepayments in respect of the right to perpetual usufruct of land in the amount of PLN 106 thousand as at 31 December 2013 (PLN 106 thousand as at 31 December 2012) is included in prepayments and deferred costs in Note 11.

Perpetual usufruct of land is deferred and amortised over 40 years.

12. Cash and cash equivalents

Cash and cash equivalents include the following:

	As at	
	31 December 2013	31 December 2012
Cash	15	21
Current accounts	4 031	2 070
Bank deposits of the WCCH guarantee fund *	125 326	121 489
Other bank deposits	307 459	255 303
Total cash and cash equivalents	436 831	378 883

* Deposits of PLN 125,326 thousand as at 31 December 2013 and PLN 121,489 thousand as at 31 December 2012 were cash of the WCCH guarantee fund securing execution of transactions on the energy market.

Cash and cash equivalents include short-term bank deposits, current accounts and cash in hand. For short-term deposits and current accounts, given their short realisation period, the fair value is equal to the carrying amount. In the statement of financial position, deposits are measured at amortised cost using the effective interest rate. Their carrying value is an estimated fair value because the used interest rates are based on market rates and the interest rate reset period is no longer than 1 month. The average maturity of the deposits of the parent entity was 7 days in 2013 (8 days in 2012).

13. Equity

Equity of the Group includes the following:

	As at	
	31 December 2013	31 December 2012
Share capital	63 865	63 865
Other reserves	1 278	(1 000)
Retained earnings	571 842	491 647
Total equity attributable to the shareholders of the parent entity	636 985	554 513



(all amounts in PLN thousands, unless otherwise stated)

13.1. Share capital

The share capital of the parent entity includes the following:

	As at	
	31 December 2013	31 December 2012
Share capital: approved, allocated and paid - 41,972,000 ordinary shares	41 972	41 972
Revaluation of share capital using the inflation rate	21 893	21 893
Total share capital	63 865	63 865

The share capital from before the year 1996 with a nominal value of PLN 6,000 thousand was restated by applying the general price index under IAS 29 (compound inflation for the period from April 1991 to December 1996 at 464.9%).

As at 31 December 2013, the share capital of WSE stood at PLN 41,972 thousand and was divided into 41,972,000 shares with a nominal value of PLN 1 per share including 14,807,470 series A shares (35.28% of all shares) and 27,164,530 series B shares (64.72% of all shares). The Company's shares were fully paid up.

Series A shares are preferred registered shares which may be exchanged into bearer shares and become series B ordinary shares on exchange. Series A shares are preferred as to the voting rights. Each series A share gives 2 votes. In 2013, 42,000 series A preferred registered shares were converted into series B ordinary bearer shares.

Series B shares are bearer shares. Each series B share gives 1 vote. Series B shares confer 27,164,530 votes at the General Meeting (47.84% of all votes).

As at 31 December 2013, the State Treasury held 14,688,470 series A preferred registered shares, which represented 35.00% of all shares and conferred 29,376,940 votes, i.e., 51.74% of all votes at the General Meeting. The remaining series A shares (119,000; 0.28% of all shares) were mainly held by brokers and banks, which jointly conferred 238,000 votes (0.42% of all votes at the General Meeting).

The shareholders and the percentage stakes held in the parent entity as at 31 December 2013 and as at 31 December 2012:

	As at 31 December 2013			As at 31 December 2012		
	Nominal value of shares	% held		Nominal value of shares	% held	
		share capital	votes		share capital	votes
Registered shares	14 807	35,28%	52,16%	14 849	35,38%	52,31%
State Treasury	14 688	35,00%	51,74%	14 688	35,00%	51,74%
Banks	56	0,13%	0,20%	14	0,03%	0,05%
Brokerage houses	49	0,12%	0,17%	98	0,23%	0,35%
Others	14	0,03%	0,05%	49	0,12%	0,17%
Bearer shares	27 165	64,72%	47,84%	27 123	64,62%	47,73%
Total	41 972	100,0%	100,0%	41 972	100,0%	100,0%



(all amounts in PLN thousands, unless otherwise stated)

13.2. Other reserves

Other reserves include the following:

	Period	
	Twelve months ended 31 December 2013	Twelve months ended 31 December 2012
Revaluation reserve: opening balance	(1 000)	271
Parent entity	(2 943)	(236)
Revaluation reserve - available-for-sale financial assets	637	(236)
Revaluation	784	(293)
Deferred tax	(148)	57
Revaluation reserve - hedge accounting	(3 580)	-
Revaluation	(4 420)	-
Deferred tax	840	-
Associate	1 944	507
Revaluation reserve - change	2 278	(1 270)
Parent entity	2 955	(2 707)
Revaluation reserve - available-for-sale financial assets	(166)	873
Changes due to revaluation and sales	(206)	1 077
Deferred tax	39	(205)
Revaluation reserve - hedge accounting	3 121	(3 580)
Changes due to revaluation and sales	3 854	(4 420)
Deferred tax	(732)	840
Associate	(677)	1 437
Revaluation reserve: closing balance	1 278	(1 000)
Parent entity	12	(2 943)
Revaluation reserve - available-for-sale financial assets	470	637
Revaluation	579	784
Deferred tax	(109)	(148)
Revaluation reserve - hedge accounting	(458)	(3 580)
Revaluation	(566)	(4 420)
Deferred tax	108	840
Associate	1 267	1 944



(all amounts in PLN thousands, unless otherwise stated)

13.3. Retained earnings

The tables below present changes of retained earnings in 2012-2013.

	Reserve capital	Other reserves	Retained earnings	Profit for the period	Total
As at 31 December 2011	38 240	182 766	103 837	134 231	459 074
Distribution of the profit for the year ended 31 December 2011	450	60 508	73 273	(134 231)	-
Dividend	-	-	(60 640)	-	(60 640)
Other changes	(17)	-	(494)	362	(149)
Acquisition of non-controlling interests	(12 412)	-	-	-	(12 412)
Profit for the year ended 31 December 2012 attributable to the shareholders of the parent entity	-	-	-	105 774	105 774
As at 31 December 2012	26 261	243 274	115 976	106 136	491 647
As at 31 December 2012	26 261	243 274	115 976	106 136	491 647
Distribution of the profit for the year ended 31 December 2012	1 340	32 220	72 576	(106 136)	-
Dividend	-	-	(32 738)	-	(32 738)
Acquisition of non-controlling interests	(137)	-	-	-	(137)
Profit for the year ended 31 December 2013 attributable to the shareholders of the parent entity	-	-	-	113 310	113 310
Other changes	-	-	(240)	-	(240)
As at 31 December 2013	27 464	275 494	155 574	113 310	571 842

As required by the Commercial Companies Code, which is binding upon companies, the amounts to be divided between the shareholders may not exceed the net profit reported for the last financial year plus retained earnings, less accumulated losses and amounts transferred to reserves that are established in accordance with the law or the Articles of Association that may not be earmarked for the payment of dividend.

The net profit, which is the basis of the dividend payment for 2013, was calculated according to International Financial Reporting Standards ("IFRS") as adopted by the European Union.

As required by the Articles of Association of the parent entity, reserve capital is earmarked for covering losses that may arise in the operations of the parent entity and for supplementing the share capital or for payment of dividends. Reserve capital should not be lower than one-third of the share capital. Transfers from distributed profit to reserve capital may not be lower than 10% of the profit. Transfers may be discontinued when reserve capital equals one-third of the share capital. One-third of reserve capital may only be used to cover losses reported in financial statements.

Reserves are maintained in the parent entity to ensure the ability of financing investments and other expenses connected with the operations of the parent entity. Reserves can be used towards share capital or payment of dividends.



(all amounts in PLN thousands, unless otherwise stated)

14. Trade payables and other liabilities

Trade payables and other liabilities include the following:

	As at	
	31 December 2013	31 December 2012
Trade payables	12 565	4 125
Payables to associates	173	159
Dividend payable	170	159
Long-term liabilities on bonds issue	243 617	243 157
Short-term liabilities on bonds issue	-	-
Liabilities of WCCH guarantee fund *	125 333	121 489
Total financial liabilities	381 858	369 089
Payables from other statutory settlements**	12 740	7 721
Other liabilities	1 464	142
Accruals and deferred income	4 328	4 674
Total other liabilities	18 532	12 537
Total trade and other liabilities	400 390	381 626

* Other liabilities in the amount of PLN 125,326 thousand as at 31 December 2013 and in the amount of PLN 121,489 thousand as at 31 December 2012 were liabilities to participants of a fund securing execution of transactions on the regulated market that was created by WCCH in accordance with Article 68d of the Act on trading in financial instruments of 29 July 2005.

** Payables from other statutory settlements as at 31 December 2013 include PolPX Group's VAT payable at PLN 9,400 thousand.

According to the Management Board of the parent entity, due to the short due dates of trade payables, the fair value of trade payables equals their book value.

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

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

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

Series A and B bonds have been introduced to trading on Catalyst, a public market in municipal and corporate bonds under the WSE brand. The nominal value was PLN 100 per bond.

The WSE bonds are unsecured floating bonds. Interest is fixed within an interest period based on WIBOR 6M plus a margin of 117 basis points.

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



(all amounts in PLN thousands, unless otherwise stated)

15. Employee benefits payable (retirement bonuses, pension benefits and jubilee bonuses)

The Group records provisions for retirement and pension benefits and jubilee bonuses (employee benefits) based on the actuarial valuation prepared as at the balance sheet date by an independent actuarial advisor.

	As at	
	31 December 2013	31 December 2012
Liabilities from retirement benefits and jubilee awards disclosed on the statement of financial position	5 280	5 300
- short-term	1 229	1 073
- long-term	4 051	4 227
Expenses from retirement benefits and jubilee awards disclosed on the statement of comprehensive income (Note 19)	(14)	606

Factors that have substantial impact on the present value of employee benefit liabilities include:

- rate of employee mobility (rotation);
- discount rate; and
- salaries increase rate.

Liabilities were calculated for each employee individually. The liability is valued based on the present value of the Group's future non-current payables in respect of retirement and pension benefits and jubilee bonuses.

The expected amount of retirement and pension benefits is calculated as a product of the expected retirement and pension base, expected growth in the base until the time of attaining retirement age, and a percentage ratio depending on the number of years in service. The resulting amount is discounted on an actuarial basis.

The expected amount of jubilee bonuses is calculated as a product of the expected bonus base, expected growth in the base until the time of acquiring the right to the bonus, and at the percentage ratio depending on years in the service. The resulting amount is subsequently discounted on an actuarial basis.

In 2013, the following assumptions were made in the actuarial valuation:

- the discount rate was determined based on the market yields of Treasury bonds whose currency and maturity are the same as the currency and the estimated maturity of the employee benefits payable – the nominal discount rate was determined at 4.0% p.a. (hence the real discount rate is 1.5%);
- the inflation rate is 2.5% p.a. and may fluctuate by +/-1 percentage point;
- wages and salaries and future benefits are assumed to grow by 3.5% p.a. (1 percentage point above inflation); and
- the mobility rate in 2013 is assumed to be 3.9%.

In 2012, the following assumptions were made in the actuarial valuation:

- the discount rate was determined based on the market yields of Treasury bonds whose currency and maturity are the same as the currency and the estimated maturity of the employee benefits payable – the nominal discount rate was determined at 3.6% p.a. (hence the real discount rate is 1.1%);
- the inflation rate is 2.5% p.a. and may fluctuate by +/-1 percentage point;
- wages and salaries and future benefits are assumed to grow by 3.5% p.a. (1 percentage point above inflation); and
- the mobility rate in 2012 is assumed to be 4.3%.



(all amounts in PLN thousands, unless otherwise stated)

The table below presents employee benefits payable by short-term and long-term payables.

	As at	
	31 December 2013	31 December 2012
Long-term	4 456	4 305
Retirement benefits and jubilee awards	4 051	4 227
Other	405	78
Short-term	11 511	12 574
Retirement benefits and jubilee awards	1 229	1 073
Other	10 282	11 501
Total	15 967	16 879

The table below presents changes to short-term and long-term employee benefits payable in 2012 and 2013.

	Period	
	31 December 2013	31 December 2012
Opening balance - short-term payables	11 501	12 164
- annual bonuses and merit awards	7 673	8 419
- other payments after employment period (non-competition)	165	-
- unused holiday	807	978
- overtime	-	12
- flat-rate car allowance	10	8
- provisions used	(9 874)	(10 080)
Opening balance - long-term payables	78	318
- reclassification to short-term	(29)	(160)
- provisions created	378	-
- provisions released	(22)	(80)
Closing balance - short-term and long-term payables	10 687	11 579

16. Provisions for other liabilities and charges

The tables below present the structure of provisions for other liabilities and charges and changes in the provisions in 2012 and 2013.

	As at 31 December	
	2013	2012
Short-term	2 139	1 351
Total provisions for other liabilities and charges	2 139	1 351



(all amounts in PLN thousands, unless otherwise stated)

	Provisions for litigations and disputes	Other provisions	Total
As at 1 January 2012	1 019	-	1 019
- provisions released	(9)	-	(9)
As at 31 December 2012	1 351	-	1 351
	-	-	-
As at 1 January 2013	1 351	-	1 351
As at 31 December 2013	1 836	303	2 139

In 2009, the Group recognised a provision in the amount of PLN 1,010 thousand for a dispute arising out of employment claims. In 2012, the provision was increased by the amount of PLN 341 thousand and reclassified as a current liability. In 2013, the provision was increased by the amount of PLN 485 thousand. According to the Management Board of the parent entity, supported by a legal opinion, assertion of such claims will not cause significant losses in excess of the amount of provisions created as at 31 December 2011.

17. Finance lease liabilities

The following table presents finance lease liabilities.

	As at 31 December	
	2013	2012
Long-term	439	381
Short-term	365	336
Total finance lease liabilities	804	717

The minimum future lease payments, future cost of finance lease and present value of finance lease liabilities as at 31 December 2013 and as at 31 December 2012 were as follows:

	As at 31 December	
	2013	2012
Gross finance lease liabilities (minimum lease payments)	848	805
Up to 1 year	390	388
1 to 5 years	458	417
Future financial cost under finance lease	44	88
Present value of finance lease liabilities	249	717
Up to 1 year	55	336
1 to 5 years	194	381



(all amounts in PLN thousands, unless otherwise stated)

18. Sales revenue

The table below presents sales revenue by business segment.

	Year ended 31 December	
	2013	2012
Financial market	205 254	208 144
Trading	147 899	150 112
Listing	22 289	21 539
Information services	35 066	36 493
Commodity market	75 995	62 646
Trading	39 906	30 164
Register of certificates of origin	15 605	16 549
Clearing	20 484	15 933
Other revenue	2 513	3 035
Total sales revenue	283 762	273 825

Revenue by geographic distribution was as follows:

	Year ended 31 December 2013	Share (%)	Year ended 31 December 2012
Revenue from foreign customers	58 978	21%	52 163
Revenue from local customers	224 784	79%	221 662
Total	283 762	100%	273 825

19. Operating expenses

The table below presents operating expenses by category.

	Year ended 31 December	
	2013	2012
Depreciation and amortisation	25 723	16 564
Salaries (Note 21.1)	51 915	47 814
Other employee costs (Note 21.1)	12 121	12 088
Rent and other maintenance fees	10 572	9 905
Fees and charges	20 770	19 452
External service charges (Note 21.2)	36 242	33 718
Other operating expenses (Note 21.3)	8 881	8 950
Total operating expenses	166 224	148 490

19.1. Salaries and other employee costs

The tables below present salaries and other employee costs by category.



(all amounts in PLN thousands, unless otherwise stated)

	Year ended 31 December	
	2013	2012
Wages and salaries	49 816	47 169
Other payments after employment period (non-competition)	776	194
Termination benefits	915	64
Employee cost concerning jubilee bonus	408	387
Total employee costs	51 915	47 814

	Year ended 31 December	
	2013	2012
Social security costs	6 435	6 280
Retirement benefit costs - defined contribution plans	1 638	1 459
Other current service benefits (including medical services, lunch subsidies, Social Benefit Fund)	4 062	3 743
Total other employee costs	12 121	12 088

The parent entity offers its employees defined benefit plans. The plans comprise old age and disability pension benefits and are based on the employee's length of service and remuneration rate (Note 16).

The parent entity offers its employees defined contribution plans (Employee Pension Plan). A defined contribution plan is financed with contributions paid by the parent entity and by an employee to a pension fund operating independently of the financial structure of the parent entity.

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

Warsaw Stock Exchange offers the employees an incentive program consisting of a fixed part (base pay) and a variable part (annual bonus) as well as a discretionary bonus. The variable part of the incentive system – the annual bonus – is based on the employee's individual appraisal and tied to the results of WSE (until 2012, the Exchange's net profit; in 2013, the Exchange's operating profit). The discretionary bonus is awarded under the remuneration rules by the WSE Management Board on request of a superior in an amount not higher than the maximum set discretionary bonus (fixed as a % of the amount of remuneration paid).



(all amounts in PLN thousands, unless otherwise stated)

19.2. External service charges

The table below presents external services by category.

	Year ended 31 December	
	2013	2012
Maintenance of property, plant and equipment and intangible assets	11 894	12 033
Security	1 091	1 188
Data transmission lines	5 851	4 813
Phone and mobile phone services	745	1 334
Software modification	1 160	45
Information services	532	646
Promotion	3 760	5 334
Market liquidity support	1 010	1 045
Advisory and audit services	3 335	1 936
Support services for TBSP market	834	847
Legal and translation services	2 040	1 048
Transportation services	357	527
Lease fees	348	332
Cleaning services	408	385
Training	486	787
Mail fees	74	79
Bank fees	135	213
KDPW fees	37	38
Other	2 144	1 052
Total external service charges	36 242	33 718

19.3. Other operating expenses

The table below presents other operating expenses by category.

	Year ended 31 December	
	2013	2012
Consumption of materials and energy	4 679	4 497
Membership fees	471	862
Property insurance	293	353
Impairment of perpetual usufruct	111	86
Business trips	1 277	1 378
Conferences	252	554
Other	1 798	1 220
Total other operating expenses	8 881	8 950



(all amounts in PLN thousands, unless otherwise stated)

20. Other income and financial income

20.1. Other income

Other income includes the following:

	Year ended 31 December	
	2013	2012
Compensation received	1 022	442
Income from sale of property, plant and equipment	-	63
Reversal of impairment allowance for receivables	-	2 888
Other	2 203	7 113
Total other income	3 225	10 505

20.2. Financial income

Financial income includes the following::

	Year ended 31 December	
	2013	2012
Interest received from bank deposits and current accounts	8 683	10 732
Interest on financial assets	625	625
Income from sale of available-for-sale financial assets	(24)	1 454
Other	1 633	1 262
Total financial income	10 917	14 074

21. Other expenses and financial expenses

21.1. Other expenses

Other expenses include the following:

	Year ended 31 December	
	2013	2012
Donations	112	144
Loss on sale of property, plant and equipment	112	489
Impairment allowance for receivables	1 342	43
Impairment of investments	-	8 957
Other	560	951
Total other expenses	2 126	10 583

In 2013, the parent entity made donations to:



(all amounts in PLN thousands, unless otherwise stated)

- Fundacja Mimo Wszystko Anny Dymnej (Dolina Słońca Therapy and Rehabilitation Centre) – PLN 36 thousand;
- KDPW CCP S.A. (support for the WIBID and WIBOR Council) – PLN 20 thousand;
- Fundacja 2065 im. Lesława Pagi (awards for the winner of the 11th edition of the Online School Exchange Game) – PLN 15 thousand;
- Other donations (statutory purposes, rehab and treatment, assistance for children) – PLN 5.1 thousand.

In 2012, the parent entity made donations to:

- Fundacja Polski Instytut Dyrektorów (Polish Directors Institute Foundation), statutory purposes – PLN 60 thousand;
- Fundacja Edukacji Rynku Kapitałowego (Capital Market Education Foundation) – for educational activities promoting knowledge of capital market) – PLN 12.5 thousand;
- Fundacja Europa (Europe Foundation - Olympics in knowledge about Poland) – PLN 6 thousand;
- other donations (statutory purposes, rehab and treatment, assistance for children) – PLN 65.5 thousand.

21.2. Financial expenses

Financial expenses include the following:

	Year ended 31 December	
	2013	2012
Interest on bond issue	11 658	15 879
Interest paid from loans and borrowings	-	431
Other	557	1 491
Total financial expenses	12 215	17 800

22. Income tax

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

	Year ended 31 December	
	2013	2012
Current income tax	12 762	23 867
Deferred tax (Note 7)	3 527	677
Total income tax	16 289	24 544

As required by the Polish tax regulations, the tax rate applicable in 2013 and 2012 is 19%.



(all amounts in PLN thousands, unless otherwise stated)

The reconciliation of the theoretical amount of tax arising from profit before tax and the statutory tax rate with the income tax expense shown in the statement of comprehensive income is as follows:

	Year ended 31 December	
	2013	2012
Profit before income tax	129 832	130 774
Income tax rate	19%	19%
Income tax at the statutory tax rate	24 668	24 847
Tax effect:		
Permanent differences	303	1 977
Non-taxable income	272	(87)
Additional taxable income	6	-
Revaluation of PolPX interest held as at the date of acquisition and additional adjustments	-	(863)
Tax relief for technology investments	(7 020)	-
Other adjustments	433	426
Non-taxable share of profit of associates	(2 374)	(1 756)
Total income tax	16 289	24 544

With a view to tax optimisation of the reorganisation of the WSE Group and its activity, WSE decided to set up a tax group comprised of WSE and WSECommodities. Consequently, on 28 August 2013, WSE and WSECommodities signed an agreement concerning the creation of a tax group for a period of three fiscal years starting on 1 December 2013 and ending on 31 December 2016 (the first fiscal year will be 13 months long). The agreement was registered by the First Mazovian Tax Office in Warsaw on 3 October 2013.

23. Contracted future investment commitments

As at 31 December 2013 and as at 31 December 2012, the Group had no investment commitments other than related to hedge accounting.

Contracted future investment commitments of the parent entity amounted to ca. PLN 10.5 million as at 31 December 2013 and related to future investment in the UTP-Derivates system.

24. Contingent liabilities

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

On receipt of the written justification of the decision, WCCH will file a cassation complaint with the Supreme Court of Administration. In the opinion of the WCCH Management Board, the decision does not address the merits of WCCH's complaint and is based on an erroneous interpretation of facts. The position of WCCH is also underpinned by the long-time practice of WCCH which has applied a VAT exemption with respect to the services outlined in the complaint. In its cassation complaint, in addition to the aforementioned arguments,



(all amounts in PLN thousands, unless otherwise stated)

WCCH intends to file a request for a prejudicial question to be asked by the national court (Supreme Court of Administration) of the Court of Justice of the European Union ("CJEU").

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

25. Related party transactions

Related parties of the Group include its associates (KDPW S.A. Group, Centrum Giełdowe S.A.) and the State Treasury as the parent entity (holding 35.00% of the share capital and 51.74% of the total number of voting rights as at 31 December 2013), entities controlled and jointly controlled by the State Treasury and entities over which the State Treasury has significant influence. Furthermore, related parties include the key management personnel of the Group.

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

The Ministry of the State Treasury does not publish or provide companies owned by the State Treasury with a complete list of entities controlled and jointly controlled by the State Treasury and entities over which the State Treasury has significant influence. Consequently, in these consolidated financial statements, the Management Board of the parent entity has disclosed transactions with entities which it has identified according to its best knowledge.

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

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

Individually material transactions with entities in which the State Treasury held a stake in 2013 included revenue from transactions, expenses and balances as at 31 December 2013 with the following companies in which the State Treasury held a stake:



(all amounts in PLN thousands, unless otherwise stated)

	As at 31 December 2013		Year ended 31 December 2013	
	Receivables	Liabilities	Sales revenue	Operating expenses
Enea S.A.	466	-	4 284	-
Energa S.A.	417	-	4 685	-
PGE Górnictwo i Energetyka Konwencjonalna S.A.	432	6	5 185	68
PGE Polska Grupa Energetyczna S.A.	1 630	-	10 739	-
Powszechna Kasa Oszczędności Bank Polski S.A.	1 037	3	12 522	40
TAURON Polska Energia S.A.	458	-	9 746	-
Other	214	27	2 716	793
Total	4 654	36	49 877	901

The individual and joint impact of other transactions with entities in which the State Treasury held a stake in 2013 was not material.

Individually material transactions with entities in which the State Treasury held a stake in 2012 included revenue from transactions, expenses and balances as at 31 December 2012 with the following companies in which the State Treasury held a stake:

	As at 31 December 2012		Year ended 31 December 2012	
	Receivables	Liabilities	Sales revenue	Operating expenses
Enea S.A.	945	-	4 377	-
Energa S.A.	650	-	4 600	-
PGE Górnictwo i Energetyka Konwencjonalna S.A.	1 351	6	4 782	61
PGE Polska Grupa Energetyczna S.A.	1 772	-	6 591	-
Powszechna Kasa Oszczędności Bank Polski S.A.	901	3	12 260	59
TAURON Polska Energia S.A.	1 684	-	8 108	-
Other	165	15	2 824	867
Total	7 468	24	43 542	987

The individual and joint impact of other transactions with entities in which the State Treasury held a stake in 2012 was not material.

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

In accordance with the Decree of the Minister of Finance of 16 March 2010 concerning fees paid to the Polish Financial Supervision Authority ("PFSA") by supervised entities which pursue activities on the capital market, the parent entity incurs costs of fees paid to the State Treasury in the amount set by the Polish Financial Supervision Authority. The Group contributes monthly prepayments for fees due to PFSA for supervision over the capital market. PFSA makes final yearly settlements of the fees by 10 February of the following year. Fees



(all amounts in PLN thousands, unless otherwise stated)

prepaid amounted to PLN 17,449 thousand in 2013 (PLN 18,403 thousand in 2012). Payables as at 31 December 2013 in respect of the difference between the amount of prepaid fees and the annual fees set by PFSA stood at PLN 782 thousand while receivables as at 31 December 2012 stood at PLN 1,580 thousand. Consequently, the Group's operating expenses in 2013 included PLN 18,231 thousand (PLN 16,823 thousand in 2012) of fees due to PFSA for supervision over the capital market.

25.2. Transactions with associates

The tables below present the transactions with the associates of WSE in 2013 and 2012.

	As at 31 December 2013		Year ended 31 December 2013	
	Receivables	Liabilities	Sales revenue	Operating expenses
KDPW Group	57	2	69	42
Centrum Giełdowe S.A.	-	45	-	2 198
Total	57	47	69	2 240

	As at 31 December 2012		Year ended 31 December 2012	
	Receivables	Liabilities	Sales revenue	Operating expenses
KDPW Group	8	4	468	55
Centrum Giełdowe S.A.	-	155	-	1 811
Total	8	159	468	1 866

Receivables from associates were not written off or provided for in 2013 and 2012.

Pursuant to Resolution No. 13/2013 of the Ordinary General Meeting of Centrum Giełdowe S.A. dated 26 March 2013 concerning the distribution of profit for 2012, PLN 2,129.3 thousand was allocated for dividend. The share of WSE in the dividend was PLN 527.8 thousand. The dividend was paid on 29 April 2013.

Pursuant to Resolution No. 18/2013 of the Ordinary General Meeting of KDPW S.A. dated 13 June 2013 concerning the distribution of profit for 2012, PLN 11,167.2 thousand was allocated for dividend. The share of WSE in the dividend was PLN 3,722 thousand. The dividend payment date is 5 November 2013.

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

In 2013, WSE also concluded transactions with the Książęca 4 Street Housing Cooperative of which it is a member. The expenses amounted to PLN 3,016 thousand in 2013 and PLN 2,808 thousand in 2012. Moreover, when the Housing Cooperative generates a surplus during a year, the Company receives refunds. The refunds amounted to PLN 205 thousand in 2013 and PLN 119 thousand in 2012.

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

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



(all amounts in PLN thousands, unless otherwise stated)

	Year ended	
	2013	2012
Remuneration	4 463	3 666
Bonus - long-term liability	368	71
Other benefits	847	887
Other payments after employment period (non-competition)	942	-
Total remuneration and benefits of the key management personnel	6 620	4 624

The figures above do not include remuneration of the key management personnel of the subsidiaries.

27. Future minimum lease payments

Lease fees paid under operating lease are charged to expenses over the lease period using the straight-line method.

WSE is a party to office space and server room rental agreements subject to a termination notice of a three months, six months, twelve months and more than twelve months.

The Polish Power Exchange is a party to the lease contract of office space for a specific period ending on 31 December 2018, for which the rent to be paid in 2014 amounts to PLN 1,100 thousand.

BondSpot S.A. is a party to the lease contract of office space for a fixed period (5 years), which the rent to be paid in 2014 will amount to PLN 694 thousand.

WSEInfoEngine S.A. and Instytut Rynku Kapitałowego – WSE Research S.A. lease office space owned by WSE.

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Future minimum lease payments under irrevocable operating lease			
	Up to 1 year	1-5 years	Over 5 years	Total
As at 31 December 2013	6 059	14 047	8 821	28 927
As at 31 December 2012	5 693	10 077	8 939	24 709

	As at 31 December 2013			
	Up to 1 year	1-5 years	Over 5 years	Total
WSE	3 914	7 038	8 821	19 773
PolPX Group	1 100	4 937	-	6 037
BondSpot S.A.	694	1 599	-	2 293
IRK	33	-	-	33
WSEInfoengine S.A.	318	473	-	791
Total	6 059	14 047	8 821	28 927



(all amounts in PLN thousands, unless otherwise stated)

	As at 31 December 2012			Total
	Up to 1 year	1-5 years	Over 5 years	
WSE	3 986	7 851	8 939	20 776
PolPX Group	988	-	-	988
BondSpot S.A.	674	2 226	-	2 900
IRK	12	-	-	12
WSEInfoengine S.A.	33	-	-	33
Total	5 693	10 077	8 939	24 709

The amounts above include VAT. All operating lease payments are denominated in PLN. WSE's annual fees for perpetual usufruct of land are PLN 118 thousand. The costs of operating leases (space rentals) are presented in Note 19.

28. Derivative financial instruments

As at 31 December 2012, BondSpot S.A. was in possession of a EUR currency forward contract for the amount of EUR 50,000. The contract was purchased on 3 December 2013 and has a maturity date of 7 January 2014. The exchange rate equals 4.2090 PLN/EUR, which amounts to PLN 210.4 thousand. As at 31 December 2013, income from the transaction amounts to PLN 3 thousand.

29. Dividends

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

30. Earnings per share

The table below presents the calculation of earnings per share.

	Year ended 31 December	
	2013	2012
Net profit for the period attributable to the shareholders of the parent entity	113 310	105 774
Weighted average number of ordinary shares (in thousands)	41 972	41 972
Basic and diluted earnings per share (in PLN)	2,70	2,52

31. Segment reporting

According to IFRS 8 *Operating Segments*, these consolidated financial statements disclose information on segments based on components of the entity which are monitored by managers to make operating decisions. Operating segments are components of the entity for which discrete financial information is available and whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess the Group's performance.

For management purposes, the Group is divided into segments based on the type of services provided.

Two main reporting segments are used as follows:

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



(all amounts in PLN thousands, unless otherwise stated)

The Financial Market includes three sub-segments:

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

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

The Commodity Market includes the following sub-segments:

- Trading (mainly revenue from spot and forward transactions in electricity, fees from spot and forward transactions in natural gas);
- Operation of the Register of Certificates of Origin of electricity (revenue from trade in property rights in certificates of origin of electricity);
- CO₂ Allowances Market (trade in property rights in certificates of origin of electricity);
- Clearing (revenue from other fees paid by market participants (members)).

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

The segment Capital Market Education and Promotion provides the following:

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

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

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

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

Exclusions include consolidation exclusions.

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



(all amounts in PLN thousands, unless otherwise stated)

The tables below present a reconciliation of the data analysed by the Management Board of the parent entity with the data shown in these financial statements.

Information on operating segments in 2013:

	Twelve-month period ended 31 December 2013				
	Financial Market ¹⁾	Commodity Market ²⁾	Other ³⁾	Other exclusions	Total WSE Group ⁴⁾
Sales revenues (external transactions)	206 760	-	1 226	(1 054)	283 762
Financial market	205 447	-	-	(193)	205 254
Trading	147 900	-	-	-	147 900
Equities and equity-related instruments	108 424	-	-	-	108 424
Derivative instruments	21 207	-	-	-	21 207
Other fees paid by market participants	5 743	-	-	-	5 743
Debt instruments	12 339	-	-	-	12 339
Other cash instruments	186	-	-	-	186
Listing	22 289	-	-	-	22 289
Listing fees	17 184	-	-	-	17 184
Introduction and admission fees, other fees	5 105	-	-	-	5 105
Information services	35 259	-	-	(193)	35 066
Real-time information	33 327	-	-	(169)	33 158
Historical and statistical information and indices	1 932	-	-	(24)	1 908
Commodity market	-	-	-	-	75 995
Trading	-	-	-	-	39 906
Electricity	-	-	-	-	13 607
<i>Spot</i>	-	-	-	0	2 545
<i>Forward</i>	-	-	-	0	11 062
Gas	-	-	-	-	99
<i>Spot</i>	-	-	-	0	25
<i>Forward</i>	-	-	-	0	74
Property rights in certificates of origin	-	-	-	0	19 053
Other fees paid by market participants	-	-	-	0	7 147
Register of certificates of origin	-	-	-	0	15 605
Clearing	-	-	-	0	20 484
Other revenue	1 313	-	1 226	(861)	2 513
Operating expenses, including:	(133 976)	(15)	(1 382)	1 054	(166 224)
<i>including depreciation</i>	(22 446)	-	(62)	-	(25 723)
Profit on sales	72 784	(15)	(156)	-	117 537



(all amounts in PLN thousands, unless otherwise stated)

Information on operating segments in 2013 continuity:

	Twelve-month period ended 31 December 2013				
	Financial Market ¹⁾	Commodity Market ²⁾	Other ³⁾	Other exclusions	Total WSE Group ⁴⁾
Profit / (Loss) on other operations	186	-	(3)	48	1 099
Operating profit	72 970	(15)	(159)	48	118 636
Profit / (Loss) on financial operations, including:	38 269	-	2	(43 256)	(1 297)
including interest received	6 378	-	5	-	9 308
including interest paid	(11 658)	-	-	-	(11 658)
Share of profit of associates	-	-	-	12 494	12 494
Profit before income tax	111 239	(15)	(157)	(30 714)	129 833
Income tax expense	(6 425)	-	-	-	(16 289)
Net profit for the period	104 815	(15)	(157)	(30 714)	113 544

1) Includes WSE and BondSpot. Q1 2013 data of poee WSE Energy Market are excluded and shown under Commodity Market. Trade on poee WSE Energy Market was discontinued and commodity trade was concentrated on PolPX as of 31 March 2013.

2) Includes PolPX Group, WSE IE, WSE Commodities and Q1 2013 data of poee WSE Energy Market.

3) Includes IRK, associates, consolidation exclusions and adjustments.

4) According to the presentation in the Consolidated Statement of Financial Position.

	Financial Market ¹⁾	Commodity Market ²⁾	Other ³⁾	Other exclusions	Total WSE Group ⁴⁾
As at 31 December 2013:					
Total assets	741 183	90	770	(95 921)	1 059 128
Total liabilities	269 128	5	238	(1 122)	421 023
Net assets (assets - liabilities)	472 055	85	532	(94 799)	638 105

1) Includes WSE and BondSpot. Q1 2013 data of poee WSE Energy Market are excluded and shown under Commodity Market. Trade on poee WSE Energy Market was discontinued and commodity trade was concentrated on PolPX as of 31 March 2013.

2) Includes PolPX Group, WSE IE, WSE Commodities and Q1 2013 data of poee WSE Energy Market.

3) Includes IRK

4) According to the presentation in the Consolidated Statement of Financial Position.



(all amounts in PLN thousands, unless otherwise stated)

Information on operating segments in 2012:

	Twelve-month period ended 31 December 2012				
	Financial Market ¹⁾	Commodity Market ²⁾	Other ³⁾	Other exclusions	Total WSE Group ⁴⁾
Sales revenues (external transactions)	211 111	-	704	(1 003)	273 824
Financial market	208 293	-	-	(150)	208 143
Trading	150 111	-	-	-	150 111
Equities and equity-related instruments	101 166	-	-	-	101 166
Derivative instruments	26 944	-	-	-	26 944
Other fees paid by market participants	6 873	-	-	-	6 873
Debt instruments	14 960	-	-	-	14 960
Other cash instruments	168	-	-	-	168
Listing	21 539	-	-	-	21 539
Listing fees	16 520	-	-	-	16 520
Introduction and admission fees, other fees	5 019	-	-	-	5 019
Information services	36 643	-	-	(150)	36 493
Real-time information	36 643	-	-	(150)	36 493
Historical and statistical information and indices	-	-	-	-	0
Commodity market	980	-	-	-	62 646
Trading	980	-	-	-	30 164
Electricity	830	-	-	-	11 129
<i>Spot</i>	576	-	-	0	2 780
<i>Forward</i>	254	-	-	0	8 349
Gas	-	-	-	-	-
<i>Spot</i>	-	-	-	0	0
<i>Forward</i>	-	-	-	0	0
Property rights in certificates of origin	-	-	-	0	11 821
Other fees paid by market participants	150	-	-	0	7 214
Register of certificates of origin	-	-	-	0	16 549
Clearing	-	-	-	0	15 933
Other revenue	1 838	-	704	(853)	3 035
Operating expenses	(123 240)	-	(881)	985	(148 490)
<i>including depreciation</i>	<i>(14 200)</i>	-	<i>(48)</i>	-	<i>(16 564)</i>
Profit on sales	87 871	-	(177)	(18)	125 334



(all amounts in PLN thousands, unless otherwise stated)

Information on operating segments in 2012 continuity

	Twelve-month period ended 31 December 2012				
	Financial Market ¹⁾	Commodity Market ²⁾	Other ³⁾	Other exclusions	Total WSE Group ⁴⁾
Profit / (Loss) on other operations	-5 126	-	-	5 542	(77)
Operating profit	82 745	-	(177)	5 524	125 257
Profit / (Loss) on financial operations	5 949	-	-	(11 523)	(3 726)
including interest received	9 117	-	2	-	11 357
including interest paid	-15 879	-	-	-	(16 310)
Share of profit of associates	-	-	-	9 243	9 243
Profit before income tax	88 694	-	(177)	3 244	130 774
Income tax expense	-17 084	-	-	(1)	-24 544
Net profit for the period	71 610	-	(177)	3 243	106 230

1) Includes WSE and BondSpot. Q1 2013 data of poee WSE Energy Market are excluded and shown under Commodity Market. Trade on poee WSE

2) Includes PolPX Group, WSE IE, WSE Commodities and Q1 2013 data of poee WSE Energy

3) Includes IRK

4) According to the presentation in the Consolidated Statement of Financial

	Financial Market ¹⁾	Commodity Market ²⁾	Other ³⁾	Other exclusions	Total WSE Group ⁴⁾
As at 31 December 2012:					
Total assets	671 076	90	156	(99 437)	959 024
Total liabilities	268 438	5	104	(130)	403 134
Net assets (assets - liabilities)	402 638	85	52	(99 307)	555 890

1) Includes WSE and BondSpot. Q1 2013 data of poee WSE Energy Market are excluded and shown under Commodity Market. Trade on poee WSE Energy Market was discontinued and commodity trade was concentrated on PolPX as of 31 March 2013.

2) Includes PolPX Group, WSE IE, WSE Commodities and Q1 2013 data of poee WSE Energy Market.

3) Includes IRK

4) According to the presentation in the Consolidated Statement of Financial Position.



(all amounts in PLN thousands, unless otherwise stated)

32. Changes to presentation

In these consolidated financial statements as at 31 December 2013, the Group has made changes to the presentation of the effect of the acquisition of PolPX as well as the line "Other" in the Consolidated Statement of Cash Flows compared to the data presented as at 31 December 2012.

The table below presents the data as at 31 December 2012 according to the presentation approach used in 2013 and according to the audited financial statements for the year ended 31 December 2012.

	Year ended 31 December		
	2012 (restated)	Changes to presentation	2012 (audited)
Cash flows from operating activities:	125 829	(1 098)	126 927
Cash generated from operation	158 237	(1 098)	159 335
Net profit of the period	106 230	-	106 230
Adjustments:	52 007	(1 098)	53 105
Income tax	24 544	-	24 544
Depreciation of property, plant and equipment	11 193	-	11 193
Amortisation of intangible assets	5 371	-	5 371
Gains / (Losses) on fx differences	839	839	-
(Profit) / Loss on sale of property, plant and equipment and intangible assets	426	-	426
Goodwill impairment losses	7 946	-	7 946
Gains / Losses on revaluation of investments in other entities	1 011	-	1 011
Financial (income) / expense of available-for-sale financial assets	(2 079)	-	(2 079)
Income from interest on deposits	(10 732)	-	(10 732)
Interest and premium on issued bonds	14 795	-	14 795
Share of profit of associates	(9 243)	-	(9 243)
Effect of TGE acquisition	-	77 334	(77 334)
Net change of provisions for other liabilities and charges	332	-	332
Other	(9 560)	(6 478)	(3 082)
Change in current assets and liabilities:	17 164	(72 793)	89 957
(Increase) / Decrease of inventories	7	-	7
(Increase) / Decrease of trade and other receivables and prepayments	349	34 253	(33 904)
Increase / (Decrease) of trade and other payables	17 614	(106 420)	124 034
Increase / (Decrease) of employee benefits payable	(806)	(626)	(180)
Income tax expense	(32 408)	-	(32 408)



(all amounts in PLN thousands, unless otherwise stated)

	Year ended 31 December		
	2012 (restated)	Changes to presentation	2012 (audited)
Cash flows from investing activities:	(36 230)	1 937	(38 167)
Purchase of property, plant and equipment	(13 482)	-	(13 482)
Purchase of intangible assets	(12 747)	-	(12 747)
Proceeds from sale of property, plant and equipment and intangible assets	284	-	284
Acquisition of subsidiary, net of cash acquired	(68 729)	-	(68 729)
Acquisition of non-controlling interests	(18 001)	-	(18 001)
Sale of available-for-sale financial assets	58 004	-	58 004
Interest received	11 357	1 937	9 420
Dividends received	7 084	-	7 084
Cash flows from financing activities:	(962)	-	(962)
Paid dividend	(61 002)	-	(61 002)
Paid interest	(15 656)	-	(15 656)
(Paid) loans and borrowings	13	-	13
Proceeds from bond issue	75 683	-	75 683
Net increase in cash and cash equivalents	88 637	839	87 798
<i>Impact of fx rates on net cash in foreign currencies</i>	<i>(839)</i>	<i>-</i>	<i>-</i>
Cash and cash equivalents - opening balance	291 085	-	291 085
Cash and cash equivalents - closing balance	378 883	-	378 883

33. Supplementary Data to the statement of cash flows

The item "Other" in operating activities mainly includes changes to the balances of the instrument hedging future cash flows and other items not classified as other items in operating activities

34. Events after the balance sheet date

On 12 February 2014, WSE received the approval of UK's Financial Conduct Authority (FCA) to increase its stake in Aquis Exchange Limited to between 30% and 50% of shares or votes. This fulfilled the last condition of the agreement with Aquis Exchange concerning acquisition of new issue shares. After the acquisition of the second tranche of shares of Aquis Exchange for GBP 3.0 million, WSE will hold shares representing 30% of votes and the right to 30% of share of profit.

On 18 February 2014, WSE received from Aquis Exchange Limited a confirmation of the allotment of 230,416 Aquis Exchange Limited shares to WSE in connection with the agreement concerning the acquisition of new issue shares of Aquis Exchange concluded on 19 August 2013. As at 18 February 2014, the Company holds 384,025 ordinary shares of Aquis Exchange which represent 39.06% of all shares and confer the right to exercise 32.16% of the economic rights and voting rights in Aquis Exchange Limited.



(all amounts in PLN thousands, unless otherwise stated)

The consolidated financial statements are presented by the Management Board of Warsaw Stock Exchange:

Adam Maciejewski – President of the Management Board

Beata Jarosz – Vice-President of the Management Board

Paweł Graniewski – Vice-President of the Management Board

Mirosław Szczepański – Member of the Management Board

Dariusz Kułakowski – Member of the Management Board

Sylvia Sawicka – Chief Accountant

Warsaw, 20 February 2014