The Giełda Papierów Wartościowych w Warszawie S.A. Group („The Warsaw Stock Exchange Group”)

Q3 2010 Quarterly Report


Warsaw, 10th November 2010

Table of Contents

1. Condensed financial data

Consolidated statement of comprehensive income, under IFRS, unaudited

	Nine months ended September 30,			
	2010	**2009**	**2010**	**2009**
	PLN'000		*EUR'000*[1]	
Revenues	**165,448**	**147,940**	**41,334**	**33,628**
Trading	124,933	110,205	31,212	25,051
Listing	14,717	10,689	3,677	2,430
Information services	23,948	25,197	5,983	5,728
Other revenues	1,850	1,849	462	420
Operating expenses	**89,493**	**82,366**	**22,358**	**18,723**
Other income	483	882	121	200
Other expenses	1,564	3,353	391	762
Operating profit	**74,874**	**63,103**	**18,706**	**14,344**
Financial income	7,717	24,712	1,928	5,617
Financial expenses	565	466	141	106
Share of profit of associates	11,280	11,105	2,818	2,524
Profit before income tax	**93,306**	**98,454**	**23,311**	**22,380**
Income tax expense	16,673	17,272	4,165	3,926
Profit for the period	**76,633**	**81,182**	**19,145**	**18,454**
Basic / diluted earnings per share[2] (in PLN)	1,8	1,9	0,5	0,4
EBITDA[3]	**98,465**	**84,974**	**24,600**	**19,315**

Source: Condensed Consolidated Financial Statements for the nine-month period ended September 30, 2010.

Consolidated statement of financial position, under IFRS, unaudited

	As at			
	September 30, 2010	**December 31, 2009**	**September 30, 2010**	**December 31, 2009**
	PLN'000		*EUR'000*[4]	
Non-current assets	**362,212**	**390,006**	**90,848**	**94,934**
Property and equipment	118,117	124,347	29,626	30,268
Investments in associates	186,185	179,324	46,698	43,650
Available-for-sale financial assets	14,558	3,738	3,651	910
Held-to-maturity financial assets	0	40,810	0	9,934
Other	43,352	41,787	10,873	10,172
Current assets	**171,841**	**665,545**	**43,100**	**162,004**
Available-for-sale financial assets	81,065	45,884	20,332	11,169
Held-to-maturity financial assets	0	109,835	0	26,736
Cash and cash equivalents	58,093	484,167	14,571	117,854
Other	32,683	25,659	8,197	6,246
Total assets	**534,053**	**1,055,551**	**133,949**	**256,938**
Equity	507,433	521,808	127,272	127,016
Non-current liabilities	3,036	3,078	761	749
Current liabilities	23,584	530,665[5]	5,915	129,172
Total equity and liabilities	**534,053**	**1,055,551**	**133,949**	**256,938**

Source: Condensed Consolidated Financial Statements for the nine-month period ended September 30, 2010.

Selected financial ratios of the Group, unaudited

	As at and for the nine months ended September 30,	
	2010	**2009**
EBITDA margin *(EBITDA/ Revenues)*	59.5%	57.4%
Operating profit margin *(Operating profit / Revenues)*	45.2%	42.7%
Return on equity (ROE) *(Profit for the last 12 months/ Average equity for the period ended September 30, 2009 and September 30, 2010)*	12.7%	n/a
Debt-to-equity ratio *(Interest-bearing liabilities / Equity)*	0.0%	0.0%

Source: the Company.

[1] Calculated based on the arithmetic mean of PLN/EUR exchange rates quoted by the National Bank of Poland on the last day of each month of the nine months ended September 30, 2009 and 2010 (1 EUR = 4.3993 PLN and 1 EUR = 4.0027 PLN, respectively).
[2] Calculated based on net profit attributable to shareholders of the parent company.
[3] EBITDA = operating profit + share of profit of associates + depreciation and amortization.
[4] Calculated based on mean PLN/EUR exchange rates quoted by the National Bank of Poland respectively on 31.12.2009 (1 EUR = 4.1082 PLN) and 30.09.2010 (1 EUR = 3.9870 PLN).
[5] Reflects the movement of dividend from equity to liabilities in the amount of PLN 506,2 million.

Stand-alone statement of comprehensive income, under IFRS, unaudited

	Nine months ended September 30,			
	2010	**2009**	**2010**	**2009**
	PLN'000		*EUR'000*[6]	
Revenues	**158,730**	**142,513**	**39,656**	**32,395**
Trading	118,727	105,216	29,662	23,917
Listing	14,589	10,609	3,645	2,412
Information services	23,929	25,189	5,978	5,726
Other revenues	1,485	1,499	371	341
Operating expenses	**83,842**	**76,502**	**20,946**	**17,390**
Other income	389	604	97	137
Other expenses	1,513	3,254	378	740
Operating profit	**73,764**	**63,361**	**18,429**	**14,403**
Financial income	7,616	24,278	1,903	5,519
Financial expenses	565	385	141	88
Profit before income tax	**80,815**	**87,254**	**20,190**	**19,834**
Income tax expense	16,184	17,243	4,043	3,920
Profit for the period	**64,631**	**70,011**	**16,147**	**15,914**
Basic / diluted earnings per share (in PLN)	1,5	1,7	0,4	0,4
EBITDA[7]	**85,747**	**73,792**	**21,422**	**16,774**

Source: the Company.

Stand-alone statement of financial position, under IFRS, unaudited

	As at			
	September 30, 2010	**December 31, 2009**	**September 30, 2010**	**December 31, 2009**
	PLN'000		*EUR'000*[8]	
Non-current assets	**196,468**	**231,334**	**49,277**	**56,310**
Property and equipment	117,230	123,735	29,403	30,119
Investments in associates	11,652	11,652	2,922	2,836
Available-for-sale financial assets	14,558	3,738	3,651	910
Held-to-maturity financial assets	0	40,810	0	9,934
Other	53,028	51,399	13,300	12,511
Current assets	**155,122**	**653,489**	**38,907**	**159,069**
Available-for-sale financial assets	81,065	45,884	20,332	11,169
Held-to-maturity financial assets	0	108,847	0	26,495
Cash and cash equivalents	47,586	474,241	11,935	115,438
Other	26,471	24,517	6,639	5,968
Total assets	**351,590**	**884,823**	**88,184**	**215,380**
Equity	326,823	353,251	81,972	85,987
Non-current liabilities	1,952	1,952	490	475
Current liabilities	22,815	529,620[9]	5,722	128,917
Total equity and liabilities	**351,590**	**884,823**	**88,184**	**215,380**

Source: the Company.

Selected financial stand-alone ratios, unaudited

	As at and for the nine months ended September 30,	
	2010	**2009**
EBITDA margin *(EBITDA/ Revenues)*	54.0%	51.8%
Operating profit margin *(Operating profit / Revenues)*	46.5%	44.5%
Debt-to-equity ratio *(Interest-bearing liabilities / Equity)*	0.0%	0.0%

Source: the Company.

[6] Calculated based on the arithmetic mean of PLN/EUR exchange rates quoted by the National Bank of Poland on the last day of each month of the nine months ended September 30, 2009 and 2010 (respectively: 1 EUR = 4.3993 PLN and 1 EUR = 4.0027 PLN).
[7] EBITDA = operating profit + depreciation and amortization.
[8] Calculated based on mean PLN/EUR exchange rates quoted by the National Bank of Poland respectively on 31.12.2009 (1 EUR = 4.1082 PLN) and 30.09.2010 (1 EUR = 3.9870 PLN).
[9] Reflects the movement of dividend from equity to liabilities in the amount of PLN 506,2 million.

2. Notes to the condensed financial data

2.1. General information on WSE and the Group

2.1.1. Scope of operations

The parent entity of the Giełda Papierów Wartościowych w Warszawie S.A. Group (“the Group”) is Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna (“the Warsaw Stock Exchange”, “the Exchange”, “WSE”, “the Company” or “the parent entity”) with its registered office in Warsaw, ul. Książęca 4. The Company is registered in the National Court Register, entry no. KRS 0000082312. The Company has the statistical number REGON 012021984 and the VAT identification number 526-025-09-72.

WSE is the largest national stock exchange in CEE and one of the fastest-growing exchanges in Europe. WSE and the subsidiaries of the Group have three main business lines (business segments):

- **Listing**, encompassing mainly introduction, admission to trading and listing of securities on markets organized and operated by the Group,
- **Trading**, encompassing the trading in all financial instruments admitted and introduced to trading on markets organized and operated by the Group,
- **Information services**, encompassing the provision of stock exchange data to users and licenses for indices.

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

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

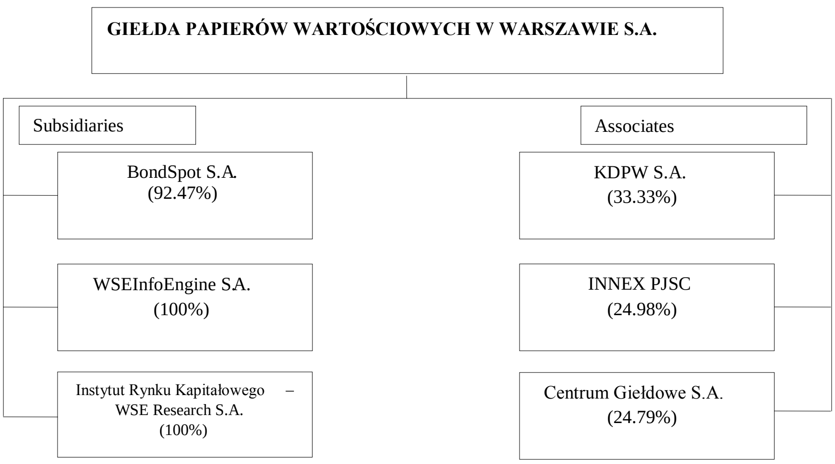
The Group intends to expand its business to organize trade in power and power-related commodity instruments.

2.1.2. Organization of the Group

As at September 30, 2010, the Warsaw Stock Exchange (the parent entity) and its three subsidiaries comprised the Warsaw Stock Exchange Group. In addition, WSE held shares in three associates.

The composition of the Group and WSE associates are presented in the table below:

Warsaw Stock Exchange subsidiaries and associates as at September 30, 2010



Source: the Company

Subsidiaries are fully consolidated from the date on which control is transferred to the Group while the investment in associates is recognised using equity accounting method.

In addition to the subsidiaries and associates, the parent entity holds shares in other companies outside the Group including:

- Towarowa Giełda Energii S.A.,
- NYSE Euronext,
- Deutsche Börse,
- London Stock Exchange,
- Sibiu Monetary Financial and Commodities Exchange,
- Centrozap S.A.

2.1.3. Ownership structure

As at November 10, 2010, the share capital of the Warsaw Stock Exchange was divided into 15,185,470 Series A preferred registered shares (one share gives two votes) and 26,786,530 Series B ordinary bearer shares.

According to the Company's best knowledge, as at November 10, 2010, the State Treasury holds 14,688,470 Series A preferred registered shares, which represent 35.0% of total shares and give 29,376,940 votes on General Meeting, which represents 51.4% of the total vote on General Meeting. The remaining Series A shares (497,000 shares, 1.18% of total shares) are held mainly by brokerage houses and banks, and give 994,000 votes on General Meeting (1.74% of the total vote on General Meeting).

As at November 10, 2010, 26,786,530 Series B bearer shares (63.82% of total shares) and corresponding 26,786,530 votes (46.86% of the total vote) were in free float on WSE's Main Market.

According to the Company's best knowledge, as at the date of publication of this report, no shareholders other than the State Treasury held directly or indirectly at least 5% of the total vote in the parent entity.

Information on the Company's ownership structure as at September 30, 2010 is presented in Note 11 to the Condensed Consolidated Interim Financial Statements of the Group for the nine-month period ended September 30, 2010. The structure presented as at September 30, 2010, is the same as the ownership structure as at December 31, 2009, since there were no ownership changes in the nine months ended September 30, 2010.

2.1.4. Changes in the Group's structure

Shares of WSEInfoEngine S.A. issued in December 2009 with a nominal value of PLN 725 thousand were registered in the National Court Register on May 7, 2010.

Shares of Warszawski Instytut Rynku Kapitałowego S.A. with a nominal value of PLN 500 thousand were registered in the National Court Register on February 15, 2010.

In July 2010, Warszawski Instytut Rynku Kapitałowego S.A. changed its corporate name into Instytut Rynku Kapitałowego – WSE Research S.A.

Except these changes, there were no other changes in the structure of the Group between January 1, 2010 and September 30, 2010, including mergers, acquisitions or sale of subsidiaries, long-term investments, splits, restructuring, or discontinued operations.

2.2. Operating and Financial Review of the Group

2.2.1. Financial results and their key drivers

Nine months ended September 30, 2010 compared to nine months ended September 30, 2009

A strong increase in revenues combined with a moderate increase in expenses produced a higher level of operating profit for the nine months ended September 30, 2010, amounting to PLN 74.9 million, as compared to PLN 63.1 million for the corresponding period in 2009. However, because of the sharp reduction in the financial income associated with the lower level of the Group's financial assets following the dividend payments in January and July 2010 of PLN 506.2 million (or PLN 12.06 per share) and PLN 90.7 million (or PLN 2.16 per share), both consolidated profit before income tax and consolidated profit for the period fell in the nine months ended September 30, 2010 as compared to the corresponding period in 2009. Consolidated profit before income tax amounted to PLN 93.3 million as compared to PLN 98.5 million in the corresponding prior period, and consolidated net profit for the period amounted to PLN 76.6 million compared to PLN 81.2 million for the corresponding prior period.

Revenues by business segment

The Group's total revenues in the nine months ended September 30, 2010 were PLN 165.4 million, an increase of 11.8%, or PLN 17.5 million, compared to the nine months ended September 30, 2009, as higher revenues in the trading and listing business lines more than offset a decrease in information services revenues.

Trading

Trading revenues in the nine months ended September 30, 2010 amounted to PLN 124.9 million, an increase of 13.4%, or PLN 14.7 million, compared to PLN 110.2 million in the nine months ended September 30, 2009. The increase was a result of higher revenues in the first six months of 2010 compared to the first six months of 2009, as average monthly trading revenues and volumes on the Main Market were lower in the in the following three months (PLN 18.7 billion for the six months ended June 30, 2010 compared to PLN 17.4 billion for the three months ended September 30, 2010).

Equities

Revenues from equities transactions increased by 13.9%, or PLN 10.2 million, to PLN 83.7 million in the nine months ended September 30, 2010 as compared with PLN 73.5 million in the corresponding period in 2009. The overall value of Main Market equities trading was PLN 164.6 billion in the nine months ended September 30, 2010, an increase of 31.4%, or PLN 30.7 billion, compared to PLN 125.3 billion in the corresponding period in the previous year. With respect to share prices, the WIG20 index increased by 19.3% to 2,615.22 points at September 30, 2010 from 2,192.37 points at September 30, 2009. The total volume of Main Market equities transactions decreased by 18.7% to 17.8 billion shares (electronic order book only) in the nine months ended September 30, 2010 from 21.9 billion in the nine months ended September 30, 2009. With respect to NewConnect, share prices also rose, the NCIndex increasing by 30.3% to 61.07 points as at September 30, 2010, compared to 46.86 points as at September 30, 2009. The total volume of NewConnect equities transactions more than doubled to 3.7 billion shares in the nine months ended September 30, 2010, as compared to 1.4 billion shares in the nine months ended September 30, 2009.

Derivatives

Revenues from derivatives transactions increased by 9.9%, or PLN 2.9 million, to PLN 31.4 million in the nine months ended September 30, 2010 as compared with PLN 28.5 million in the corresponding period in 2009. The growth in revenues reflected the continued growth in popularity of WIG20 futures and increasing interest in derivative instruments from both retail and institutional investors. The total volume of derivatives contracts increased by 8.5% to 11.4 million contracts in the nine months ended September 30, 2010, as compared to 10.5 million contracts in the nine months ended September 30, 2009.

Fixed income

Revenues from fixed income transactions increased by 23.5%, or PLN 1.2 million, to PLN 6.3 million in the nine months ended September 30, 2010 as compared with PLN 5.1 million in the corresponding period in 2009. This result was primarily due to revenues from Treasury BondSpot Poland (PLN 6.0 million in the nine months ended September 30, 2010 as compared with PLN 4.7 million in the corresponding period in 2009).

The table below presents revenues from trading in equities, derivatives and fixed income instruments as well as the data regarding value and volume of transactions for the periods of nine months ended September 30, 2009 and nine months ended September 30, 2010.

As at and for the nine months ended September 30,

	(unaudited)	
	2010	**2009**
Trading revenue – equities *(PLN million)*	83.7	73.5
Total value of Main Market equities transactions *(PLN billion)*	164.6	125.3
Total value of NewConnect equities transactions *(PLN billion)*	1.2	0.4
Trading revenue – derivatives *(PLN million)*	31.4	28.5
Total volume of derivatives transactions *(millions of contracts)*	11.4	10.5
Trading revenue – fixed income *(PLN million)*	6.3	5.1
Total value of fixed income transactions *(PLN billion)*	1.5	0.2

Source: the Company

Other fees from market participants

Revenues from other fees from market participants increased by 13.6%, or PLN 0.4 million, to PLN 3.4 million in the nine months ended September 30, 2010 as compared with PLN 3.0 million in the corresponding period in 2009.

Listing

Listing revenues in the nine months ended September 30, 2010 amounted to PLN 14.7 million, an increase of 37.7%, or PLN 4.0 million, compared to PLN 10.7 million in the corresponding period in 2009. On-going annual fees were PLN 10.9 million in the nine months ended September 30, 2010, an increase of 18.6%, or PLN 1.7 million, compared to PLN 9.2 million in the corresponding period in 2009, reflecting the higher level of market capitalization at the end of 2009 as compared to 2008. Fees for admission, introduction, and listing of securities more than doubled to PLN 3.8 million in the nine months ended September 30, 2010, compared to PLN 1.5 million in the corresponding period in 2009, reflecting an increase in the number and value of debut and follow-on listings on the Main Market and NewConnect in the nine months ended September 30, 2010 (76 new listings, value of debut and follow-on listings: PLN 34.8 billion) compared to the nine months ended September 30, 2009 (23 new listings, value of debut and follow-on listings: PLN 15.1 billion), in particular large equity offerings by PZU and Tauron.

In the nine months ended September 30, 2010, 15 companies debuted on the Main Market and 61 on NewConnect. In the corresponding period in 2009, the number of debuts was 7 and 16, respectively. The Catalyst market grew dynamically during the period. On Catalyst, 24 new issuers were introduced during the nine months ended September 30, 2010, including 14 companies, 8 cooperative banks and 2 local governments. Together with the existing issuers, there were 44 new bond issues on Catalyst during the period.

On September 30, 2010, 548 companies were listed on WSE, including 384 on the Main Market and 164 on NewConnect. These numbers show a dynamic growth comparing to September 30, 2009, when 474 companies were listed on WSE, including 375 on the Main Market and 99 on NewConnect.

Market capitalization at September 30, 2010 was at its highest level since 2007, amounting to PLN 800.7 billion, including PLN 523.2 billion for domestic companies and PLN 277.5 billion for foreign companies. At September 30, 2009, market capitalization was PLN 687.5 billion and was 14.1% lower than at September 30, 2010.

The following table shows listing revenue, market capitalization, number of listed companies, number and value of debut listings, and number and value of de-listings (based on market capitalization at the time of de-listing).

As at and for the nine months ended September 30,

	(unaudited)	
	2010	**2009**
Main Market		
Listing revenue *(PLN million)*	13.9	10.3
Market capitalization of listed companies *(domestic / foreign) (PLN billion)*	519/ 277	347/ 338
Number of listed companies *(domestic / foreign)*	361/ 23	350/ 25
Value of offerings *(debut and follow-on) (PLN million)*	34,499	14,985
Number of debut listings *(during the period)*	15	7
Market capitalization of newly listed companies *(PLN million)*	42,105	731
Number of de-listings	10	6
Market capitalization of de-listed companies *(PLN million)*	14,372[10]	937
NewConnect		
Listing revenue *(PLN million)*	0.6	0.3
Market capitalization of listed companies *(domestic / foreign) (PLN billion)*	4.2/ 0.2	1.9/ 0.1
Number of listed companies *(domestic / foreign)*	161/3	97/2
Value of offerings *(debut and follow-on) (PLN million)*	255	83
Number of debut listings *(during the period)*	61	16
Market capitalization of newly listed companies *(PLN million)*	1,392	447
Number of de-listings[11]	4	1
Market capitalization of de-listed companies *(PLN million)*	333	39

Source: the Company

[10] Primarily reflecting the de-listing of the Austrian company Immoeast AG.
[11] All de-listings from NewConnect were due to companies which transitioned to listing on the Main Market.

Information services

Revenues from information services in the nine months ended September 30, 2010 amounted to PLN 23.9 million, a decrease of 5.0%, or PLN 1.3 million, as compared to PLN 25.2 million for the corresponding period in 2009. As the number of distributors did not change and the number of subscribers[12] rose between the two periods, from approximately 185,000 subscribers to approximately 267,000 subscribers, the decrease was primarily due to a decrease in the EUR/PLN exchange rate by 9%[13] during the period (fees from the Group's foreign distributors, including Thomson Reuters and Bloomberg, are paid in euro).

Other revenue

The Group also recorded other revenue of PLN 1.9 million for the nine months ended September 30, 2010, almost unchanged from the corresponding period in the prior year. Other revenue comprises training services, office space rental, and revenues of WSEInfoEngine S.A. related to online transmission services (general shareholders meetings and investors meetings).

Additional segment information as required under the IAS for interim financial statements is presented in Note 23 to the Condensed Consolidated Interim Financial Statements for the nine-month period ended September 30, 2010.

Operating expenses

Total operating expenses for the nine months ended September 30, 2010 increased by 8.7%, or PLN 7.1 million, compared to the nine months ended September 30, 2009, amounting to PLN 89.5 million compared to PLN 82.4 million in the corresponding period in the previous year. The movement primarily reflected an increase in fees (mainly due to an increase in the contribution to KNF), an increase of depreciation and amortization, an increase of external services charges (as a result of costs associated with WSE's privatization), and an increase of salaries and other employee costs.

The following table sets out a breakdown of the Group's operating expenses for the nine months ended September 30, 2010 and 2009.

For the nine months ended September 30,

	(unaudited)	
	2010	**2009**
	PLN'000	
Depreciation and amortization	12,311	10,766
Salaries	24,013	23,666
Other employee costs	6,461	6,217
Rent and other maintenance fees	4,711	5,095
Fees[14]	12,019	9,149
External services	24,842	21,875
Other operating expenses	5,136	5,598
Total	**89,493**	**82,366**

Source: the Company

Additional information on operating expenses is presented in Note 14 to the Condensed Consolidated Interim Financial Statements for the nine-month period ended September 30, 2010.

Share of profit of associates

Share of profit of associates amounted to PLN 11.3 million in the nine months ended September 30, 2010, an increase of 1.6% compared to the corresponding period in the previous year. Share of profit of associates primarily reflects the share of profit of KDPW S.A. (PLN 11.2 million in the nine months ended September 30, 2010 compared to PLN 10.5 million in the nine months ended September 30, 2009).

[12] A subscriber is a person who has access to a basic set of data including information about one sale/purchase offer.
[13] Calculated based on average monthly PLN/EUR exchange rates quoted by the National Bank of Poland.
[14] Includes payments to the KNF of PLN 11.3 million in the nine months ended September 30, 2010 and PLN 8.5 million in the corresponding period in the previous year, as well as property taxes amounting to PLN 0.3 million in both the nine months ended September 30, 2010 and the corresponding period in the previous year.

Financial income

Financial income in the nine months ended September 30, 2010 amounted to PLN 7.7 million, a decrease of 68.8%, or PLN 17.0 million, compared to the nine months ended September 30, 2009, primarily due to the impact of dividend payments in January and July 2010 and the related decrease in financial assets.

Income tax

The Group's effective income tax rate (income tax as a percentage of profit before tax) was 17.9% in the nine months ended September 30, 2010 and 17.5% in the nine months ended September 30, 2009, as compared to the standard Polish corporate tax rate of 19%. Absent new legislation or tax regulations, the Company does not currently anticipate any material change in its tax position.

Additional information on income tax is presented in Note 15 to the Condensed Consolidated Interim Financial Statements for the nine-month period ended September 30, 2010.

Three months ended September 30, 2010 compared to three months ended September 30, 2009

Revenues remained steady in the three months ended September 30, 2010 compared to the three months ended September 30, 2009. Operating expenses in the three months ended September 30, 2010 were higher than in the three months ended September 30, 2009, mainly due to an increase of external services charges, in particular costs of privatization, an increase in the contribution to KNF, an increase of salaries and other employee costs, and an increase of depreciation and amortization. Increased expenses resulted in a decrease in operating profit. Operating profit in the three months ended September 30, 2010 amounted to PLN 22.1 million compared to PLN 25.2 million in the corresponding prior period. Consolidated profit before income tax amounted to PLN 27.4 million for the three months ended September 30, 2010, compared to PLN 36.8 million in the corresponding prior period. Consolidated net profit for the period amounted to PLN 22.2 million for the three months ended September 30, 2010, compared to PLN 30.2 million in the corresponding prior period.

Revenues by business segment

The Group's total revenues in the three months ended September 30, 2010 were PLN 54.0 million, approximately on the same level as in the three months ended September 30, 2009. In the period under review, the revenues in the listing business line were higher than in the corresponding period in 2009, whereas trading revenues were lower than in the corresponding period in 2009.

Trading

Trading revenues in the three months ended September 30, 2010 amounted to PLN 40.7 million, a decrease of 2.5%, or PLN 1.0 million, compared to PLN 41.7 million in the three months ended September 30, 2009.

Equities

Revenues from equities transactions amounted to PLN 28.5 million in the three months ended September 30, 2010, remaining unchanged as compared with the corresponding period in 2009 despite an increase in the value of trading in equities, primarily due to a decreasing pricing scheme in connection with a higher average value of executed orders in the three months ended September 30, 2010 (PLN 28.2 thousand) compared to the corresponding period in the previous year (PLN 22.6 thousand), and a lower average monthly number of executed orders (approximately 53,000 and 63,000, respectively).

The total value of Main Market equities trading was PLN 52.3 billion in the three months ended September 30, 2010, an increase of 4.4%, or PLN 2.2 billion, compared to PLN 50.1 billion in the corresponding period in the previous year. The total volume of Main Market equities transactions decreased by 48% to 3.9 billion shares (electronic order book only) in the three months ended September 30, 2010 from 7.5 billion in the three months ended September 30, 2009. The WIG20 index increased by 19.3% to 2,615.22 points at September 30, 2010 from 2,192.37 points at September 30, 2009.

The total value of NewConnect equities trading was PLN 0.5 billion in the three months ended September 30, 2010, an increase of PLN 0.3 billion compared to PLN 0.2 billion in the corresponding period in 2009. The total volume of NewConnect equities transactions increased to 1.8 billion shares (electronic order book only) in the three months ended September 30, 2010, compared to 0.7 billion shares in the three months ended September 30, 2009. The NCIndex increased by 30.3% to 61.07 points as at September 30, 2010, compared to 46.86 points as at September 30, 2009.

Derivatives

Revenues from derivatives transactions decreased by 15.5%, or PLN 1.6 million, to PLN 9.0 million in the three months ended September 30, 2010 as compared with PLN 10.6 million in the corresponding period in 2009. The total volume of derivatives contracts decreased by 17.1% to 3.2 million contracts in the three months ended September 30, 2010, compared to 3.9 million contracts in the three months ended September 30, 2009.

Fixed income

Revenues from fixed income transactions increased by 25.8%, or PLN 0.5 million, to PLN 2.3 million in the three months ended September 30, 2010 as compared with PLN 1.8 million in the corresponding period in 2009. This result was primarily due to increasing revenues from Treasury BondSpot Poland (PLN 2.1 million in the three months ended September 30, 2010 as compared with PLN 1.7 million in the corresponding period in 2009).

The table below presents revenues from trading of equities, derivatives and fixed income instruments as well as the data regarding value and volume of transactions for the periods of three months ended September 30, 2009 and September 30, 2010.

As at and for the three months ended September 30,

	(unaudited)	
	2010	**2009**
Trading revenue – equities *(PLN million)*	28.5	28.5
Total value of Main Market equities transactions *(PLN billion)*	52.3	50.1
Total value of NewConnect equities transactions *(PLN billion)*	0.5	0.2
Trading revenue – derivatives *(PLN million)*	9.0	10.6
Total volume of derivatives transactions *(millions of contracts)*	3.2	3.9
Trading revenue – fixed income *(PLN million)*	2.3	1.8
Total value of fixed income transactions *(PLN billion)*	0.7	0.4

Other fees from market participants

Revenues from other fees from market participants amounted to PLN 0.8 million in the three months ended September 30, 2010, remaining unchanged as compared with the corresponding period in 2009.

Listing

Listing revenues in the three months ended September 30, 2010 amounted to PLN 4.6 million, an increase of 27.5%, or PLN 1.0 million, compared to PLN 3.6 million in the corresponding period in 2009. On-going annual fees were PLN 3.6 million in the three months ended September 30, 2010, an increase of 19.3%, or PLN 0.6 million, compared to PLN 3.0 million in the corresponding period in 2009. Fees for admission, introduction, and listing of securities increased to PLN 0.9 million in the three months ended September 30, 2010 from PLN 0.6 million in the corresponding period in 2009, reflecting an increase in the number and value of debut and follow-on listings, the value of which increased to PLN 2.9 billion in the three months ended September 30, 2010 compared to PLN 0.3 billion in the three months ended September 30, 2009.

In the three months ended September 30, 2010, 4 companies debuted on the Main Market (including one which transitioned from NewConnect) and 29 companies debuted on NewConnect (which was the highest quarterly number of NewConnect debuts at the time). In the corresponding period in 2009, the number of debuts was 1 and 8, respectively.

The following table shows listing revenue, market capitalization, number of listed companies, number and value of debut listings, and number and value of de-listings (based on market capitalization at the time of de-listing).

As at and for the three months ended September 30,	(unaudited)	
	2010	**2009**
Main Market		
Listing revenue *(PLN million)*	4.3	3.5
Market capitalization of listed companies *(domestic / foreign) (PLN billion)*	519/ 277	347/ 338
Number of listed companies *(domestic / foreign)*	361/ 23	350/ 25
Value of offerings *(debut and follow-on) (PLN million)*	2,765	262
Number of debut listings *(during the period)*	4	1
Market capitalization of newly listed companies *(PLN million)*	998	63
Number of de-listings	3	2
Market capitalization of de-listed companies *(PLN million)*	1,460	418
NewConnect		
Listing revenue *(PLN million)*	0.2	0.1
Market capitalization of listed companies *(domestic / foreign) (PLN billion)*	4.2/ 0.2	1.9/ 0.1
Number of listed companies *(domestic / foreign)*	161/ 3	97/ 2
Value of offerings *(debut and follow-on) (PLN million)*	136	23
Number of debut listings *(during the period)*	29	8
Market capitalization of newly listed companies *(PLN million)*	685	261
Number of de-listings[15]	1	0
Market capitalization of de-listed companies *(PLN million)*	111	0

Source: the Company

Information services

Revenues from information services in the three months ended September 30, 2010 amounted to PLN 8.0 million and were on the same level as in the corresponding period in 2009. As the number of distributors did not change and the number of subscribers[16] rose between the two periods from approximately 185,000 subscribers to approximately 267,000 subscribers, the unchanged level of revenues was primarily due to a decrease in the EUR/PLN exchange rate by 5%[17] in the three months ended September 30, 2010 compared to in the three months ended September 30, 2009 (fees from foreign distributors, including Thomson Reuters and Bloomberg, are paid in euro).

Other revenue

The Group also recorded other revenue of PLN 0.7 million for the three months ended September 30, 2010, an unchanged level of revenues from the corresponding period in the prior year.

Additional segment information as required under the IAS for interim financial statements is presented in Note 23 to the Condensed Consolidated Interim Financial Statements for the nine-month period ended September 30, 2010.

Operating expenses

Total operating expenses for the three months ended September 30, 2010 increased by 9.5%, or PLN 2.6 million, compared to the three months ended September 30, 2009, amounting to PLN 30.6 million compared to PLN 28.0 million in the corresponding period in the previous year. The movement primarily reflected an increase in fees (mainly due to an increase in the contribution to KNF), an increase of external services charges (primarily as a result of costs associated with WSE's privatization), an increase of depreciation and amortization, as well as an increase of salaries and other employee costs.

The following table sets out a breakdown of the Group's operating expenses for the three months ended September 30, 2010 and 2009.

[15] All de-listings from NewConnect were due to companies which transitioned to listing on the Main Market.
[16] A subscriber is a person who has access to a basic set of data including information about one sale/purchase offer.
[17] Calculated based on average monthly PLN/EUR exchange rates quoted by the National Bank of Poland.

For the three months ended September 30,

	2010	2009
	(unaudited)	
	PLN'000	
Depreciation and amortization	4,139	3,681
Salaries	8,169	7,110
Other employee costs	2,039	2,468
Rent and other maintenance fees	1,662	1,799
Fees[18]	3,587	2,989
External services	9,318	7,830
Other operating expenses	1,683	2,073
Total	**30,597**	**27,950**

Source: the Company

Additional information on operating expenses is presented in Note 14 to the Condensed Consolidated Interim Financial Statements for the nine-month period ended September 30, 2010.

Share of profit of associates

Share of profit of associates amounted to PLN 4.4 million in the three months ended September 30, 2010, a decrease of 2.2% compared to PLN 4.5 million in the corresponding period in the previous year. Share of profit of associates primarily reflects the share of profit of KDPW S.A. (PLN 3.5 million in the three months ended September 30, 2010 compared to PLN 3.8 million in the three months ended September 30, 2009).

Financial income

Financial income in the three months ended September 30, 2010 amounted to PLN 1.3 million, a decrease of 81.8%, or PLN 5.8 million, compared to PLN 7.1 million in the three months ended September 30, 2009, primarily due to the impact of dividend payments in January and July 2010 and the related decrease in financial assets.

Income tax

The Group's effective income tax rate was 18.9% in the three months ended September 30, 2010 and 18.1% in the three months ended September 30, 2009, as compared to the standard Polish corporate tax rate of 19%. Absent new legislation or tax regulations, the Company does not currently anticipate any material change in its tax position.

2.2.2. Seasonality and cyclicality of operations

Share prices and the value of trading are significantly influenced by local, regional and global trends impacting the capital markets, which determine the pace of new issues and the activity of investors on WSE. As a result, the revenue of the Group is cyclical: it decreased due to the global financial crisis in 2008 and rose in 2009 and 2010 following the general capital market trend. In the nine months ended September 30, 2010, a seasonal trend was observed as the value of trading decreased in the summer months (July and August).

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

Privatization expenses

In connection with the completed preparation for the debut on the public market, the parent entity will pay related additional expenses in the last quarter of 2010. The expenses will mainly include external services charges for promotion and advisory.

[18] Includes payments to the KNF of PLN 3.4 million in the three months ended September 30, 2010 and PLN 2.6 million in the corresponding period in the previous year, as well as property taxes amounting to PLN 0.1 million in both the three months ended September 30, 2010 and the corresponding period in the previous year.

Capital expenditures for the implementation of the UTP

In July 2010, the Company entered into a Master Agreement with NYSE Euronext to establish a framework for their strategic cooperation. In particular the Master Agreement provides for the acquisition by WSE of the UTP (Universal Trading Platform) developed by NYSE Euronext and an exclusive strategic partnership between the parties in a defined CEE region with respect to a variety of identified business initiatives. In October 2010, the Company entered into agreements with NYSE Technologies SAS outlining terms for the specific delivery, licensing and software maintenance of the UTP.

As a result, the Company will make capital expenditures in the last quarter of 2010 in an amount which will not exceed the budgeted total capital expenditures for 2010 as outlined in WSE International Offering Circular. The capital expenditures for the UTP in 2010 will be financed with WSE’s own funds.

Acquisition of an organised part of an enterprise

The Company intends to expand its business to include trading in power and powerrelated commodity instruments. The Company has notified its intention to KNF and, in the absence of KNF’s objections within the official deadline, it is authorized to operate a platform of trading in power and power-related commodity instruments. In this context, on October 18, 2010, the Company entered into an agreement with ELBIS Sp. z o.o. aiming to acquire the Online Power Trading Platform.

The agreement provides for the acquisition from ELBIS Sp. z o.o. by WSE, WSEInfoEngine S.A. and KDPW of the Power Trading Platform as an organised part of the enterprise in order to support trading in electricity. The buyers will acquire the Platform in the following proportions: WSE 56.67%, KDPW 32.00%, WSEInfoEngine 11.33%. Under the agreement, the buyers are jointly and severally liable to ELBIS Sp. z o.o. The selling price of the Platform at PLN 15 million is payable in instalments by January 14, 2012 pro rata to the stake acquired by each party.

The agreement includes the following conditions precedent: (i) the buyers shall obtain the approval of the President of the Competition and Consumers Protection Office (UOKiK) for the acquisition of the Trading Platform and (ii) ELBIS Sp. z o.o. shall obtain the approval of relevant entities for the implementation of the agreement, in particular consent of the bodies of ELBIS Sp. z o.o.

The conditions precedent should be fulfilled by December 31, 2010. Ownership of the Trading Platform shall be transferred to the Buyers within 14 days from the fulfilment of the last condition precedent. Non-fulfilment of the conditions precedent within this period invalidates any claims of the other party. ELBIS Sp. z o.o. shall not engage in activities competitive to the Trading Platform operated by the Company and shall not take measures resulting in competitive activities of ELBIS Sp. z o.o. or any third party within 5 years of the transfer of the Trading Platform. On September 14, 2010, the Company notified the President of the Competition and Consumers Protection Office. Under applicable legislation, the President of the Competition and Consumers Protection Office has two months to raise any objections.

The acquisition of the Online Power Trading Platform will be financed with own funds of the Group. As a result of the transaction, the financial assets portfolio of the parent entity and its financial income in the subsequent reporting periods will decrease.

2.2.4. Probability of previously published projections

The Group has not published any projections of results for 2010.

2.3. Other significant information

2.3.1. Changes of applied accounting policies (principles)

These Condensed Consolidated Interim Financial Statements for the nine-month period ended September 30, 2010 have been prepared in accordance with the accounting policy principles binding for the consolidated financial statements of the Group for the years ended December 31, 2009, December 31, 2008, and December 31, 2007, with the exceptions presented in Note 2.2 to the Condensed Consolidated Interim Financial Statements for the nine-month period ended September 30, 2010.

The estimates have not changed substantially in the audited period while all adjustments of provisions, deferred tax provisions and assets mentioned in the IAS, and asset revaluation write-offs are included in the Condensed Consolidated Interim Financial Statements for the nine-month period ended September 30, 2010.

2.3.2. Issue and redemption of equities and other securities

No equities or other securities were issued or redeemed in the nine months ended September 30, 2010.

2.3.3. Dividends

Dividends are presented in Note 20 to the Condensed Consolidated Interim Financial Statements for the nine-month period ended September 30, 2010.

2.3.4. Events after the balance date

In October 2010 a conditional purchase agreement was signed with ELBIS Sp. z o.o. regarding purchase of the Power Trading Platform (see section 2.2.3).

On October 27, 2010, the Company entered into agreements with NYSE Technologies SAS outlining terms for the specific delivery, licensing and software maintenance of the UTP. Detailed information on the implementation of the UTP is presented in section 2.2.3.

Except for the events presented above, there were no other significant events after September 30, 2010, which are not presented in the Condensed Consolidated Interim Financial Statements for the nine-month period ended September 30, 2010 and which could significantly impact the results of the Group.

2.3.5. Contingent liabilities and contingent assets

The Group had no contingent liabilities and contingent assets as at September 30, 2010, and as at September 30, 2009.

2.3.6. WSE shares and allotment certificates held by the Company's supervising and managing persons

The tables below present WSE shares and allotment certificates held by the Company's supervising and managing persons at November 10, 2010.

WSE shares and allotment certificates held by the Company's managing persons

	Number of shares held	Number of allotment certificates held
Ludwik Sobolewski	25	0
Lidia Adamska	0	0
Adam Maciejewski	0	0
Beata Jarosz	0	0

WSE shares and allotment certificates held by the Company's supervising persons

	Number of shares held	Number of allotment certificates held
Leszek Pawłowicz	0	0
Marek Wierzbowski	0	0
Maria Dobrowolska	0	0
Tomasz Zganiacz	0	0
Mateusz Rodzynkiewicz	0	0
Maria Sierpińska	0	0
Sebastian Skuza	0	0

In the past periods, the Group was not subject to the obligation to publish information on shares and allotment certificates held by the supervising and managing persons of the Group.

2.3.7. Pending litigation

In the ordinary course of business the Company and other companies from the Group are routinely involved in legal proceedings concerning their operational activities. In particular the Company is a party to the standard administrative proceedings before the KNF. Furthermore, the notification of intended concentration to the President of the Office for Competition and Consumer Protection has been submitted and the antimonopoly clearance for the intended acquisition by the Company, WSEInfoEngine S.A. and the KDPW S.A. of the organised part of business i.e. the online power trading platform from ELBIS sp. z o.o is expected.

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

2.3.8. Related party transactions

In the three months ended September 30, 2010, WSE and the associates of WSE did not make any significant transactions on other than market terms.

The balances of all transactions between the parent entity and related parties are presented in Note 18 to the Condensed Consolidated Interim Financial Statements for the nine-month period ended September 30, 2010.

2.3.9. Granted warranties and guarantees

The parent entity and other entities of the Group granted no warranties for credits or loans and granted no guarantees in the three months ended September 30, 2010.

2.3.10. Other significant information

In the opinion of the Company, in the three months ended September 30, 2010, there were no other significant events or circumstances, other than those presented in this quarterly report, which would be significant to an evaluation of the Company's or the Group's position with regard to its human resources, assets, financial standing, financial results and capacity to meet obligations.

3. Quarterly financial information of the Warsaw Stock Exchange for the nine-month period ended September 30, 2010

This quarterly financial information of the Warsaw Stock Exchange has been prepared in accordance with the accounting policy principles binding for the Condensed Consolidated Interim Financial Statements for the nine-month period ended September 30, 2010, as presented in Note 2 to the financial statements. The estimates have not changed substantially in the reviewed period of nine months ended September 30, 2010, including adjustments of provisions, deferred tax provisions and assets mentioned in the IAS, and there were no significant asset revaluation write-offs.

Stand-alone statement of financial position, under IFRS, unaudited

	As at		**As at**	
	September 30, 2010	**December 31, 2009**	**September 30, 2009**	**December 31, 2008**
	PLN'000		*PLN'000*	
NON-CURRENT ASSETS	**196,468**	**231,334**	**325,579**	**347,424**
Property and equipment	117,230	123,735	121,275	121,744
Intangible assets	12,733	12,916	13,330	11,615
Investments in associates	11,652	11,652	11,652	13,285
Investments in subsidiaries	32,915	32,921	31,815	663
Deferred tax assets	4,174	2,277	2,721	1,882
Available-for-sale financial assets	14,558	3,738	19,079	46,637
Held-to-maturity financial assets	0	40,810	122,396	148,207
Prepayments	3,206	3,285	3,311	3,391
CURRENT ASSETS	**155,122**	**653,489**	**535,457**	**445,293**
Inventories	433	425	403	374
Corporate income tax receivable	0	2,365	0	5,243
Trade and other receivables	26,038	21,727	25,491	19,723
Available-for-sale financial assets	81,065	45,884	30,017	116,529
Held-to-maturity financial assets	0	108,847	51,516	74,441
Cash and cash equivalents	47,586	474,241	428,030	228,983
TOTAL ASSETS	**351,590**	**884,823**	**861,036**	**792,717**
EQUITY	**326,823**	**353,251**	**838,555**	**767,843**
Share capital	63,865	63,865	63,865	63,865
Other reserves	544	944	865	164
Retained earnings	262,414	288,442	773,825	703,814
Non-controlling interest	0	0	0	0
NON-CURRENT LIABILITIES	**1,952**	**1,952**	**1,982**	**1,982**
Employee benefits payable	1,952	1,952	1,982	1,982
Finance lease liabilities	0	0	0	0
CURRENT LIABILITIES	**22,815**	**529,620**	**20,499**	**22,892**
Trade payables	2,859	6,690	3,965	11,034
Finance lease liabilities	0	0	0	0
Corporate income tax payable	2,040	0	2,285	0
Other liabilities	8,784	512,664	5,777	3,181
Employee benefits payable	8,982	10,066	8,322	8,277
Provisions for other liabilities and charges	150	200	150	400
TOTAL EQUITY AND LIABILITIES	**351,590**	**884,823**	**861,036**	**792,717**

Stand-alone statement of comprehensive income, under IFRS, unaudited

	Nine months ended September 30,		Three months ended September 30,	
	2010	**2009**	**2010**	**2009**
	PLN'000		*PLN'000*	
Revenue	**158,730**	**142,513**	**51,535**	**52,084**
Trading	118,727	105,216	38,458	39,903
Listing	14,589	10,609	4,528	3,560
Information services	23,929	25,189	7,968	7,991
Other revenues	1,485	1,499	581	631
Operating expenses	**83,842**	**76,502**	**28,737**	**26 190**
Other income	389	604	76	120
Other expenses	1,513	3,254	1,383	914
Operating profit	**73,764**	**63,361**	**21,491**	**25,100**
Financial income	7,616	24,278	1,053	6 998
Financial expenses	565	385	113	(8)
Profit before income tax	**80,815**	**87,254**	**22,431**	**32,106**
Income tax expense	16,184	17,243	5,043	6 645
Profit for the period	**64,631**	**70,011**	**17,388**	**25,461**
Other comprehensive income:				
Gains/(losses) from the valuation of financial assets available for sale of the parent entity	(400)	701	201	(88)
Other comprehensive income after tax	**(400)**	**701**	201	(88)
Total comprehensive income	**64,231**	**70,712**	**17,589**	**25,373**
Profit for the period	**64,631**	**70,011**	**17,388**	**25,461**
Profit for the period	64,631	70,011	17,388	25,461
Total comprehensive income	**64,231**	**70,712**	**17,589**	**25,373**
Total comprehensive income	64,231	70,712	17,589	25 373
Basic / diluted earnings per share (in PLN)	1,54	1,67	0,41	0,61

Stand-alone statement of cash flow, under IFRS, unaudited

		Nine months ended September 30, 2010	Nine months ended September 30, 2009
		PLN'000	
A	**Cash flows from operating activities:**	**64,607**	**52,644**
	Cash generated from operations	78,151	63,112
	Income tax paid	(13,544)	(10,468)
B	**Cash flows from investing activities:**	**105,579**	**146,403**
	Purchases of property and equipment	(2,884)	(7,696)
	Proceeds from sale of property and equipment	57	12
	Purchases of intangible assets	(2,412)	(3,990)
	Acquisition of subsidiary	0	(29,318)
	Acquisition of shares in a subsidiary	0	(200)
	Sale of available-for-sale financial assets	108,026	120,000
	Redemption of held-to-maturity Treasury bills and bonds	0	52,000
	Interest received	2,346	15,313
	Dividends received	475	305
	Other	(29)	(23)
C	**Cash flows from financing activities:**	**(596,841)**	**0**
	Dividends paid	(596,841)	0
D	**Net (decrease)/increase in cash and cash equivalents**	**(426,655)**	**199,047**
	Cash and cash equivalents at the beginning of the period	474,241	228,983
	Cash and cash equivalents at the end of the period	47,586	428,030

Stand-alone statement of changes in equity, under IFRS, unaudited

	Attributable to the shareholders of the parent entity				Non-controlling interest	Total equity
	Share capital	Other reserves	Retained earnings	Total		
Balance as at 31 December 2008	**63. 865**	**164**	**703.814**	**767.843**	**0**	**925.939**
Profit for the nine-month period ended September 30, 2009	*0*	*0*	*70 011*	*70.011*	*0*	*70.011*
Revaluation of available-for-sale financial assets	*0*	*701*	*0*	*701*	*0*	*701*
Total comprehensive income for the nine-month period ended September 30, 2009	**0**	**701**	**70 011**	**70.712**	**0**	**70.712**
Balance as at September 30, 2009	**63.865**	**865**	**773.825**	**838.555**	**0**	**996.651**
Balance as at December 31, 2008	**63.865**	**164**	**703.814**	**767.843**	**0**	**767.843**
Dividend	0	0	(506.182)	(506.182)	0	(506.182)
Changes in equity due to sale of property and equipment	0	(6)	6	0	0	0
Profit for 2009	*0*	*0*	*90.804*	*90.804*	*0*	*90.804*
Revaluation of available-for-sale financial assets	*0*	*786*	*0*	*786*	*0*	*786*
Total comprehensive income for 2009	**0**	**786**	**90.804**	**91.590**	**0**	**91.590**
Balance as at December 31, 2009	**63.865**	**944**	**288.442**	**353.251**	**0**	**353.251**
Balance as at December 31, 2009	**63.865**	**944**	**288.442**	**353.251**	**0**	**353.251**
Dividend	0	0	(90.659)	(90.659)	0	(90.659)
Profit for the nine-month period ended September 30, 2010	*0*	*0*	*64.631*	*64.631*	*0*	*64.631*
Revaluation of available-for-sale financial assets	*0*	*(400)*	*0*	*(400)*	*0*	*(400)*
Total comprehensive income for the nine-month period ended September 30, 2010	**0**	**(400)**	**64.631**	**64.231**	**0**	**64.231**
Balance as at September 30, 2010	**63.865**	**544**	**262.414**	**326.823**	**0**	**326.823**

Appendix: Condensed Consolidated Interim Financial Statements for the nine-month period ended September 30, 2010 and Report on Review of Condensed Consolidated Interim Financial Statements

INDEX TO THE HISTORICAL FINANCIAL INFORMATION OF THE GROUP FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2010

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Report on Review of Condensed Consolidated Interim Financial Statements

To the Management Board of Warsaw Stock Exchange

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange) located in Warsaw, ul. Książęca 4 (the “Company”) and its subsidiaries (together the “Group”), which comprises the consolidated statement of financial position as of 30 September 2010, the related consolidated statement of comprehensive income for the three and nine month periods then ended, and the related consolidated statement of changes in equity and consolidated statement of cash flows for the nine month period then ended and a summary of significant accounting policies and other explanatory notes. Management Board of the Company is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 “Interim Financial Reporting” as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements for the nine-month period ended 30 September 2010, are not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting” as adopted by the European Union.

PricewaterhouseCoopers Sp. z o.o.

Warsaw, 25 October 2010

THE GIEŁDA PAPIERÓW WARTOŚCIOWYCH W WARSZAWIE S.A. GROUP (THE "WARSAW STOCK EXCHANGE GROUP")

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2010

(AMOUNTS IN PLN THOUSAND, UNLESS OTHERWISE STATED)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	30.09.2010	31.12.2009
NON-CURRENT ASSETS		**362 212**	**390 006**
Property and equipment	4	118 117	124 347
Intangible assets	5	35 980	36 102
Investments in associates	6	186 185	179 324
Deferred tax assets	7	4 140	2 400
Available-for-sale financial assets	8	14 558	3 738
Financial assets held to maturity		-	40 810
Prepayments		3 232	3 285
CURRENT ASSETS		**171 841**	**665 545**
Inventories		433	425
Corporate income tax receivable		-	2 365
Trade and other receivables	9	31 912	22 869
Available-for-sale financial assets	8	81 065	45 884
Financial assets held to maturity		-	109 835
Other current financial assets		338	-
Cash and cash equivalents	10	58 093	484 167
TOTAL ASSETS		**534 053**	**1 055 551**

EQUITY AND LIABILITIES	Note	30.09.2010	31.12.2009
EQUITY	11	**507 433**	**521 808**
Share capital		63 865	63 865
Other reserves		1 104	1 453
Retained earnings		441 618	455 741
Non controlling interest		846	749
NON-CURRENT LIABILITIES		**3 036**	**3 078**
Employee benefits payable		1 990	2 040
Finance lease liabilities		36	28
Provisions for other liabilities and charges		1 010	1 010
CURRENT LIABILITIES		**23 584**	**530 665**
Trade payables	12	3 106	7 064
Finance lease liabilities		43	41
Corporate income tax payable		2 099	-
Other liabilities	12	8 958	513 035
Employee benefits payable		9 228	10 325
Provisions for other liabilities and charges		150	200
TOTAL EQUITY AND LIABILITIES		**534 053**	**1 055 551**

The notes presented on pages SF-10 to SF-40 form an integral part of these condensed consolidated interim financial statements.

(AMOUNTS IN PLN THOUSAND, UNLESS OTHERWISE STATED)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Nine-month period ended 30.09.2010	Three-month period ended 30.09.2010	Nine-month period ended 30.09.2009	Three-month period ended 30.09.2009
Revenue	13	165 448	53 971	147 940	53 974
Operating expenses	14	89 493	30 597	82 366	27 950
Other income		483	83	882	134
Other expenses		1 564	1 382	3 353	944
Operating profit		**74 874**	**22 075**	**63 103**	**25 214**
Financial income		7 717	1 300	24 712	7 145
Financial expenses		565	414	466	46
Share of profit of associates	6	11 280	4 434	11 105	4 536
Profit before income tax		**93 306**	**27 395**	**98 454**	**36 849**
Income tax expense	15	16 673	5 187	17 272	6 674
Profit for the period		**76 633**	**22 208**	**81 182**	**30 175**
Other comprehensive income:					
(Losses)/gains from the valuation of financial assets available for sale of the parent entity		(400)	201	701	(88)
Gains/(losses) from the valuation of financial assets available for sale of the associate		51	20	(157)	(23)
Other comprehensive income after tax		**(349)**	**221**	**544**	**(111)**
Total comprehensive income		**76 284**	**22 429**	**81 726**	**30 064**
Profit for the period		**76 633**	**22 208**	**81 182**	**30 175**
Profit for the period attributable to the shareholders of the parent entity		76 536	22 163	81 154	30 150
Profit for the period attributable to the non controlling interests		97	45	28	25
Total comprehensive income		**76 284**	**22 249**	**81 726**	**30 064**
Total comprehensive income attributable to the shareholders of the parent entity		76 187	22 384	81 698	30 039
Total comprehensive income attributable to the non controlling interests		97	45	28	25
Basic / diluted earnings per share (expressed in PLN)	21	1,82	0,53	1,93	0,72

The notes presented on pages SF-10 to SF-40 form an integral part of these condensed consolidated interim financial statements.

(AMOUNTS IN PLN THOUSAND, UNLESS OTHERWISE STATED)

CONSOLIDATED STATEMENT OF CASH FLOW

		Note	Nine-month period ended 30.09.2010	Nine-month period ended 30.09.2009
A	**Cash flows from operating activities:**		**64 751**	**50 622**
	Cash generated from operations	19	78 606	61 232
	Income tax paid		(13 855)	(10 610)
B	**Cash flows from investing activities:**		**106 016**	**158 101**
	Purchases of property and equipment		(3 413)	(7 789)
	Proceeds from sale of property and equipment		57	12
	Purchases of intangible assets		(2 546)	(4 795)
	Acquisition of subsidiary less acquired cash		-	(19 710)
	Sale of assets available for sale		108 026	120 000
	Redemption of bonds held to maturity		1 000	54 500
	Interest received		2 446	15 601
	Dividends received		475	305
	Other		(29)	(23)
C	**Cash flows from financing activities**		**(596 841)**	-
	Dividends paid		(596 841)	-
D	**Net (decrease)/increase in cash and cash equivalents**		**(426 074)**	**208 723**
	Cash and cash equivalents at the beginning of the period	10	484 167	229 177
	Cash and cash equivalents at the end of the period	10	58 093	437 900

The notes presented on pages SF-10 to SF-40 form an integral part of these condensed consolidated interim financial statements.

(AMOUNTS IN PLN THOUSAND, UNLESS OTHERWISE STATED)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the shareholders of the parent entity				Non - controlling interest	Total equity
	Share capital	**Other reserves**	**Retained earnings**	**Total**		
Balance as at 31 December 2008	**63 865**	**919**	**861 155**	**925 939**	**-**	**925 939**
Adjustment due to purchase of BondSpot S.A	-	-	-	-	803	803
Profit for the nine-month period ended 30 September 2009	-	-	*81 154*	*81 154*	*28*	*81 182*
Revaluation of available-for-sale financial assets	-	*544*	-	*544*	-	*544*
Total comprehensive income for the nine-month period ended 30 September 2009	-	544	81 154	81 698	28	81 726
Balance as at 30 September 2009	**63 865**	**1 463**	**942 309**	**1 007 637**	**831**	**1 008 468**
Balance as at 31 December 2008	**63 865**	**919**	**861 155**	**925 939**	**-**	**925 939**
Adjustment due to purchase of BondSpot S.A	-	-	-	-	803	803
Dividend (note 20)	-	-	(506 182)	(506 182)	-	(506 182)
Changes in equity due to sale of property and equipment	-	(6)	6	-	-	-
Profit for 2009	-	-	*100 762*	*100 762*	*(54)*	*100 708*
Revaluation of available-for-sale financial assets	-	*540*	-	*540*	-	*540*
Total comprehensive income for 2009	-	540	100 762	101 302	(54)	101 248
Balance as at 31 December 2009	**63 865**	**1 453**	**455 741**	**521 059**	**749**	**521 808**
Balance as at 31 December 2009	**63 865**	**1 453**	**455 741**	**521 059**	**749**	**521 808**
Dividend (note 20)	-	-	(90 659)	(90 659)	-	(90 659)
Profit for the nine-month period ended 30 September 2010	-	-	*76 536*	*76 536*	*97*	*76 633*
Revaluation of available-for-sale financial assets	-	*(349)*	-	*(349)*	-	*(349)*
Total comprehensive income for the nine- month period ended 30 September 2010	-	(349)	76 536	76 187	97	76 284
Balance as at 30 September 2010	**63 865**	**1 104**	**441 618**	**506 587**	**846**	**507 433**

The notes presented on pages SF-10 to SF-40 form an integral part of these condensed consolidated interim financial statements.

(AMOUNTS IN PLN THOUSAND, UNLESS OTHERWISE STATED)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. General information

1.1. Legal status and scope of operations of the parent entity

The parent entity of the Giełda Papierów Wartościowych w Warszawie S.A. Group ("the Group") is Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna ("the Warsaw Stock Exchange", "the Exchange", "WSE" or "the Company") with its registered office in Warsaw, ul. Książęca 4. The Company was established by Notarial Deed on 12 April 1991 and registered with the Commercial Court in Warsaw on 25 April 1991. Most of the shares of the WSE (98.82% of the share capital) are owned by the State Treasury of the Republic of Poland, which is the ultimate parent entity for the Group.

The core activities of WSE comprise the organisation of public trading in securities.

1.2. Approval of the financial statements

These condensed interim consolidated financial statements were authorised for issue by the Management Board of the parent entity on 25 October 2010.

1.3. The Group's composition and operation

Warsaw Stock Exchange and its subsidiaries: WSEInfoEngine S.A., BondSpot S.A. and Instytut Rynku Kapitałowego – WSE Research S.A. comprise the Warsaw Stock Exchange Group. The following are the associates on which the Group exerts significant influence: Centrum Giełdowe S.A., KDPW S.A. and INNEX Stock Exchange.

The composition of the Group as at 30 September 2010 and 30 September 2009 is set out in the table below:

Name of the entity	Registered office of the entity	Scope of operations	% interest in share capital
Parent entity			
Warsaw Stock Exchange	00-498 Warsaw ul. Książęca 4 Poland	– operating a stock exchange through the organization of public trading in securities – conducting educational, promotional and information activities regarding the functioning of the capital markets – organizing an alternative trading system	
Subsidiaries			
WSEInfoEngine S.A.	00-498 Warsaw ul. Książęca 4 Poland	– providing services in the area of data transmission	100.00%
BondSpot S.A. (former MTS CeTO S.A.)	00-609 Warsaw Al. Armii Ludowej 26 Poland	– running an over-the-counter market and conducting other activities related to organizing trading in securities and other financial instruments – organizing an alternative trading system – organizing and conducting all activities which supplement and support the functioning of the markets run by the Company	92.47%

(AMOUNTS IN PLN THOUSAND, UNLESS OTHERWISE STATED)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Name of the entity	Registered office of the entity	Scope of operations	% interest in share capital
Instytut Rynku Kapitałowego - WSE Research S.A. (former Warszawski Instytut Rynku Kapitałowego S.A.)	00-498 Warsaw ul. Książęca 4 Poland	– publishing books, newspapers, magazines and other periodicals – extracurricular education forms – activities which support education	100.00%
Associates			
Krajowy Depozyt Papierów Wartościowych S.A.	00-498 Warsaw ul. Książęca 4 Poland	– maintaining a deposit for securities – clearing and settlement of transactions concluded on the stock exchanges, energy exchanges and commodity exchanges – conducting other activities related to trading in securities and other financial instruments – administering the Guarantee Fund	33.33%
Centrum Giełdowe S.A.	00-498 Warsaw ul. Książęca 4 Poland	– 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%
Closed joint stock company „INNEX Stock Exchange”	01015, Kiev Moskovskaya 43/11 Ukraine	– managing financial markets – stock exchange transactions in securities – other types of wholesale – other auxiliary activities relating to financial intermediation – commercial activity and management advice – organizing secondary trading in shares, bonds and options – organizing tenders for shares in privatized Ukrainian businesses, on the primary market	24.98%

Changes in the Group’s structure in the period since 1 January 2010 until the date of these condensed consolidated interim financial statements:

New shares of **WSEInfo Engine S.A.** issued in December 2009 with a nominal value of PLN 725 thousand have been registered in the National Court Register on 7 May 2010. Shares of **Warszawski Instytut Rynku Kapitałowego S.A.** issued in December 2009 with a nominal value of PLN 500 thousand have been registered in the National Court Register on 15 February 2010. Since July 2010 Warszawski Instytut Rynku Kapitałowego S.A. has changed its corporate name into **Instytut Rynku Kapitałowego - WSE Research S.A.**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2. Summary of significant accounting policies

2.1. Basis of preparation of the condensed consolidated interim financial statements

These condensed consolidated interim financial statements of the Warsaw Stock Exchange Group have been prepared in accordance with International Accounting Standard 34 „Interim Financial Reporting" endorsed by the European Union.

These condensed consolidated interim financial statements have been prepared on the assumption that the Group will continue as a going concern in the foreseeable future. As at the date of these condensed consolidated interim financial statements, there are no circumstances indicating any threats to the Group's ability to continue operations.

These condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements of the Group for the years ended 31 December 2009, 31 December 2008 and 31 December 2007, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

These consolidated interim financial statements have been prepared under the historical cost basis, with the exception of available-for-sale financial assets which are measured at fair value.

2.2. Major accounting policy principles

These condensed consolidated interim financial statements have been prepared in accordance with the accounting policy principles binding for the consolidated financial statements for the years ended 31 December 2009, 31 December 2008 and 31 December 2007, except for standards and interpretations binding for:

a) Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

b) Published Standards and Interpretations which have been issued and binding of the Group for annual periods starting on 1 January 2010:

Standards and Interpretations approved by the European Union:

- IFRIC 12, Service Concession Arrangements, binding for annual periods starting on 29 March 2009
- IFRIC 15, Agreements for the Construction of Real Estate, binding for annual periods beginning on or after 1 January 2009
- IFRIC 16, Hedges of a Net Investment in a Foreign Operation, binding for annual periods starting on or after 1 July 2009
- IFRIC 17, Distribution of Non-Cash Assets to Owners, binding for annual periods starting after 1 November 2009
- IFRIC 18, Transfers of Assets from Customers, binding for annual periods starting after 1 November 2009
- IFRS 1 (Revised), Additional Exemptions in First-time Adoption of IFRS, binding for annual periods starting on or after 1 January 2010
- IFRS 2 (Revised), Share-based Payment, binding for annual periods starting on or after 1 January 2010
- IAS 39 (Revised), Financial Instruments: Recognition and Measurement – criteria of qualification as hedged item, binding for annual periods starting on or after 1 July 2009

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

- Improvements to IFRS 2009 revising 12 standards, binding mostly for annual periods starting on 1 January 2010.

c) Published Standards and Interpretations which have been issued but are not yet binding and have been adopted early:
- IAS 24, Related Party Disclosures, retrospectively binding for annual periods commencing on or after 1 January 2011. Therefore, the Group is exempt from the disclosure requirements of IAS 24 paragraph 18 in relation to State Treasury related party transactions and outstanding balances.

d) Published Standards and Interpretations which have been issued but are not yet binding or have not been adopted early:

Standards and Interpretations approved by the European Union:
- IFRIC 14, (Revised), Prepayments of a Minimum Funding Requirement, binding for annual periods commencing on or after 1 January 2011.
- IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments, binding for annual periods commencing on or after 1 July 2010.
- IFRS 1 (Revised), Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters, binding for annual periods commencing on or after 1 July 2010.
- IAS 32 (Revised), Classification of Rights Issues, binding for annual periods commencing on or after 1 February 2010.

Standards and Interpretations which have not been approved by the European Union yet.
- IFRS 9, Financial Instruments, binding for annual periods commencing on or after 1 January 2013.
- Improvements to IFRS 2010, in majority binding for annual periods commencing on or after 1 January 2011.

3. Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks. The Group is subject to the following financial risks: market risk (including cash flow and fair value interest rate risk, price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize any potential adverse effects on the Group's financial performance. The Management Board of the parent entity is responsible for risk management within the Group. The Group has dedicated departments, responsible for ensuring its liquidity, including foreign currency liquidity, debt collection and timely payment of liabilities, particularly tax liabilities. The Group does not use derivative financial instruments, fair value hedges or cash flow hedges to manage financial risk.

3.2 Market risk

(a) Cash flow and fair value interest rate 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 which are not subject to significant changes in connection with interest rate fluctuations. Due to the average or short period to maturity the risk of changes in the cash flows related to those assets resulting from interest rate fluctuations is relatively low.

(AMOUNTS IN PLN THOUSAND, UNLESS OTHERWISE STATED)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The Group minimizes interest rate risk by maintaining a low average duration period for the entire State Treasury's bond portfolio – below two years. In the case of an increase in interest rates, the Group obtains higher interest on floating rate bonds and the cash flows increase, and at the same time the fair value of the bonds decreases.

(b) Foreign exchange risk

The Group does not conduct significant international activities and has moderate foreign exchange risk. Due to the small volume of transactions in foreign currencies (EUR, USD), the foreign exchange risk is reduced to moderate level. Therefore according to the Management Board the foreign exchange rates did not influence the Group's financial results.

3.3 Credit risk

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

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

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

Financial assets held by the Group are disclosed in the table below:

	30.09.2010	**31.12.2009**
Financial assets available for sale	**95 623**	**49 622**
- long-term	14 558	3 738
- short-term	81 065	45 884
Financial assets held to maturity	**-**	**150 645**
- long-term	-	40 810
- short-term	-	109 835
Loans and receivables	**86 592**	**503 718**
- trade and other receivables	28 167	19 555
- term deposits and current accounts (presented as "cash and cash equivalents")	58 087	484 163
- term deposits (presented as "other current financial assets")	338	-
Total financial assets	**182 215**	**703 985**

3.4 Liquidity risk

An analysis of the Group's financial position shows that the Group is not exposed to liquidity risk.

(AMOUNTS IN PLN THOUSAND, UNLESS OTHERWISE STATED)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

An 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 debt securities of the Group as at 30 September 2010 amounted to PLN 150 177 thousand (as at 31 December 2009: PLN 680 683 thousand) representing 28.12% of the total assets (as at 31 December 2009: 64.49%).

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

Liquidity analyses the based on the contractual cash flows are presented in the following tables:

Liquidity risk as at 30 September 2010							
	less than 1 month	**1-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**over 5 years**	**Total**
Assets							
Treasury bonds and bills available for sale	625	50 880	-	31 275	2 500	10 625	**95 905**
Term deposits and current accounts	44 740	13 433	338	-	-	-	**58 511**
Trade and other receivables	25 945	2 125	-	97	-	-	**28 167**
Total assets	**71 310**	**66 438**	**338**	**31 372**	**2 500**	**10 625**	**182 583**
Liabilities							
Trade liabilities	3 106	-	-	-	-	-	**3 106**
Finance lease liabilities	79	-	-	-	-	-	**79**
Total liabilities	**3 185**	**-**	**-**	**-**	**-**	**-**	**3 185**
Liquidity gap	**68 125**	**66 438**	**338**	**31 372**	**2 500**	**10 625**	**179 398**

Liquidity risk as at 31 December 2009							
	less than 1 month	**1-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**over 5 years**	**Total**
Assets							
Treasury bonds and bills held to maturity	2 000	3 060	1 275	114 245	44 400	-	**164 980**
Treasury bonds and bills available for sale	-	-	-	46 900	-	-	**46 900**
Term deposits and current accounts	484 436	-	-	-	-	-	**484 436**
Trade and other receivables	16 842	2 713	-	-	-	-	**19 555**
Total assets	**503 278**	**5 773**	**1 275**	**161 145**	**44 400**	**-**	**715 871**
Liabilities							
Trade liabilities	7 064	-	-	-	-	-	**7 064**
Finance lease liabilities	4	8	11	22	28	-	**73**
Dividends payable	506 182	-	-	-	-	-	**506 182**
Total liabilities	**513 250**	**8**	**11**	**22**	**28**	**-**	**513 319**
Liquidity gap	**(9 972)**	**5 765**	**1 264**	**161 123**	**44 372**	**-**	**202 552**

(AMOUNTS IN PLN THOUSAND, UNLESS OTHERWISE STATED)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The negative liquidity gap up to one month as at 31 December 2009 was caused by the obligation to pay out the dividend on 11 January 2010 in the amount of PLN 506 182 thousand. To cover the negative liquidity gap the Group disposed the bonds from the available for sale portfolio with maturity from 6 to 12 months.

4. Property and equipment

	30.09.2010	**31.12.2009**
Land and buildings	94 702	96 408
Vehicles and machinery	20 503	20 601
Furniture, fittings and equipment	2 055	1 575
Fixed assets under construction	767	5 763
Other	90	-
Total	**118 117**	**124 347**

	Nine-month period ended 30.09.2010	**Year ended 31.12.2009**	**Nine-month period ended 30.09.2009**
Gross book value at the beginning of the period	199 058	185 444	185 444
Accumulated depreciation at the beginning of the period	(74 711)	(63 468)	(63 468)
Net book value at the beginning of the period	**124 347**	**121 976**	**121 976**
Additions	3 413	13 742	8 341
Disposals	-	(128)	-
Depreciation for the period	(9 643)	(11 243)	(8 430)
Net book value at the end of the period	**118 117**	**124 347**	**121 887**

In the nine-month period ended 30 September 2010 the Group recognised new tangible fixed assets valued at PLN 3 413 thousand.

In the nine-month period ended 30 September 2010 the Group derecognised tangible fixed assets with a gross book value of PLN 223 thousand, sold for PLN 57 thousand.

5. Intangible assets

	30.09.2010	**31.12.2009**
Licences	11 789	11 662
Property rights	1 205	1 454
Goodwill	22 986	22 986
Intangible assets	**35 980**	**36 102**

(AMOUNTS IN PLN THOUSAND, UNLESS OTHERWISE STATED)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

	Nine-month period ended 30.09.2010	Year ended 31.12.2009	Nine-month period ended 30.09.2009
Gross book value at the beginning of the period	91 492	63 775	63 775
Accumulated amortisation at the beginning of the period	(55 390)	(52 147)	(52 147)
Net book value at the beginning of the period	**36 102**	**11 628**	**11 628**
Additions	2 546	27 717	27 176
Amortisation for the period	(2 668)	(3 243)	(2 336)
Net book value at the end of the period	**35 980**	**36 102**	**36 468**

6. Investments in associates

	Nine-month period ended 30.09.2010	Year ended 31.12.2009	Nine-month period ended 30.09.2009
At the beginning of the period	**179 324**	**171 896**	**171 896**
Dividend	(4 308)	-	-
Share in profit*	11 280	11 061	11 105
Adjustment on acquisition of control over BondSpot S.A.	-	(3 387)	(3 387)
Other increases	(162)	-	8
Share in revaluation reserve	51	(246)	(157)
At the end of the period	**186 185**	**179 324**	**179 465**

* *Represents profit after tax.*

None of the Group's associates is listed on active market. Selected financial data of the associates are presented below:

As at and for the Nine-month period ended 30 September 2010

Entity	Assets	Equity	Liabilities	Revenue	Profit/ (loss) for the period	Interest held	The Group's share in associate's profit
KDPW S.A.	1 288 393	511 812	776 581	92 363	33 561	33,33%	11 187
Centrum Giełdowe S.A.	92 618	62 853	29 765	12 665	373	24,79%	93
INNEX *	2 162	2 126	36	75	(356)	24,98%	-
Total	**1 383 173**	**576 791**	**806 382**	**105 103**	**33 578**		**11 280**

* *INNEX Stock Exchange prepares financial statements in accordance with Ukrainian accounting policies.*

(AMOUNTS IN PLN THOUSAND, UNLESS OTHERWISE STATED)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the Year ended 31 December 2009

Entity	Assets	Equity	Liabilities	Revenue	Profit for the period	Interest held	The Group's share in associate's profit
KDPW S.A.	1 428 858	490 821	938 037	104 031	30 612	33,33%	10 204
Centrum Giełdowe S.A.	94 099	63 401	30 698	17 539	3 457	24,79%	857
INNEX *	2 478	2 380	98	785	24	24,98%	-
Total	**1 525 435**	**556 602**	**968 833**	**122 355**	**34 093**		**11 061**

* *INNEX Stock Exchange prepares financial statements in accordance with Ukrainian accounting policies.*

As at and for the Nine-month period ended 30 September 2009

Entity	Assets	Equity	Liabilities	Revenue	Profit for the period	Interest held	The Group's share in associate's profit
KDPW S.A.	1 262 268	491 897	770 371	78 278	31 397	33,33%	10 466
Centrum Giełdowe S.A.	93 971	62 522	31 449	13 090	2 577	24,79%	639
INNEX *	2 497	2 472	25	803	181	24,98%	-
Total	**1 358 736**	**556 891**	**801 845**	**92 171**	**34 155**		**11 105**

* *INNEX Stock Exchange prepares financial statements in accordance with Ukrainian accounting policies.*

In accordance with Article 4, clause 3 of the Memorandum of Association of KDPW S.A., the company only has registered shares.

The registered offices of the associates, except for INNEX, are located in Poland. The registered office of INNEX is located in the Ukraine.

7. 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 fiscal authority. After offsetting, the following amounts are disclosed in the condensed consolidated interim financial statements:

Deferred tax assets:	**30.09.2010**	**31.12.2009**
- deferred tax assets to be recovered within 12 months	3 504	2 206
- deferred tax assets to be recovered after more than 12 months	1 583	2 094
Total	**5 087**	**4 300**

Deferred tax liabilities:	**30.09.2010**	**31.12.2009**
- deferred tax liabilities to be recovered within 12	467	1 564
- deferred tax liabilities to be recovered after more than 12 months	480	336

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Total	**947**	**1 900**

The gross movement on the deferred tax asset account is as follows:

	Nine-month period ended 30.09.2010	Year ended 31.12.2009	Nine-month period ended 30.09.2009
Deferred tax assets (net) at the beginning of the period	**2 400**	**1 586**	**1 586**
Credited to the income statement	1 646	998	848
Tax credited/(charged) to other comprehensive income	94	(184)	(164)
Deferred tax assets (net) at the end of the period	**4 140**	**2 400**	**2 270**

The Group did not include in the calculation of deferred tax the differences between book values and tax values of the associates.

In accordance with local regulations on trading in financial instruments and the Memorandum of Association of KDPW S.A., the shares in this company did not carry a right to dividends and the Group might not directly amend the Memorandum of Association in this respect. On 21 October 2009 the Act of 4 September 2008 implementing changes to the Act on trading in financial instruments (Journal of Laws from 2009 No 165, item 1316) came into effect, allowing the shareholders of the KDPW S.A. to receive dividends. On 30 July 2009 the Ordinary General Shareholder's Meeting of KDPW S.A. passed the Resolution No. 32/2009 regarding allocation of PLN 31 913 thousand of the net profit for 2008 for dividend payment, and the Resolution No. 34/2009 regarding allocation of PLN 28 087 thousand of other reserves and PLN 200 000 thousand of retained earnings for dividend payment. Dividends have not been paid due to the submission by the Polish National Bank of Poland to the Warsaw Regional Court a suit for cancellation of the above resolutions. As at the date of these condensed consolidated financial statements, the court has not issued a verdict in this case. On 23 July 2010 the Ordinary General Shareholder's Meeting of KDPW S.A. passed the Resolution No. 24/2010 and 25/2010 which overrule the above mentioned Resolution and passed the Resolution No. 26/2010 regarding allocation of PLN 12 236 thousand of the net profit for 2009 for dividend payment, and the PLN 150 000 thousand of retained earnings for dividend payment. The resolution concerning the dividend payment from the profit of 2009 has not been contested. Therefore, the Supervisory Board of KDPW S.A. passed a Resolution which stated the dividend payment date on January 25, 2011.

According to The Act of 22 February 2002 on Corporate Income Tax, the parent entity will not be charged with tax on dividend paid by its associates. Moreover, the parent entity does not intend to sell shares in associates. Therefore, the Group did not recognize a deferred tax liability in respect of the difference between the book value of associates and its tax base, which would total PLN 32 454 thousand as at 30 September 2010 (PLN 31 132 thousand as at 31 December 2009 and PLN 31 159 thousand as at 30 September 2009).

8. Available-for-sale financial assets

Because of Resolution No. 4 of the Ordinary General Shareholders' Meeting dated 30 June 2010, profit for the year 2009 was earmarked for payment as dividend totaling PLN 90 659 thousand. Dividend payment date was established at 20 July 2010. The Company performed the liquidity analysis at this date.

In order to secure adequate level of liquid assets for dividend payment, the Management Board of WSE decided to dispose part of its securities from Financial assets held to maturity portfolio. As a result of aforementioned

(AMOUNTS IN PLN THOUSAND, UNLESS OTHERWISE STATED)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

decision, the securities have no longer fulfilled the definition of Assets held to maturity as stated in IAS 39 par. 9, meaning the positive intention of holding them until maturity has ceased.

Therefore, at the same day the mentioned decision was made, the Company reclassified its securities from held to maturity to available-for-sale. As a result the Company will not classify any of its financial assets as held to maturity for the remainder of the financial year ended 31 December 2010 and the following two years.

The Company measured its reclassified portfolio to fair value. Because of close maturity date, the differences between amortized cost and fair value were judged to be insignificant.

Changes in financial assets available-for-sale:

	Nine-month period ended 30.09.2010	**Year ended 31.12.2009**	**Nine-month period ended 30.09.2009**
Beginning of the period	**49 622**	**163 166**	**163 166**
Additions	2 149	6 385	5 065
Reclassification from financial assets held to maturity portfolio	152 372	-	-
Disposals (sale and redemption of treasury bonds and treasury bills, interest received)	(108 026)	(120 900)	(120 000)
Change in fair value – recognized in other comprehensive income	(494)	971	865
- shares	*(233)*	*476*	*413*
- Treasury bonds and Treasury bills	*(261)*	*495*	*452*
End of period	**95 623**	**49 622**	**49 096**
Non-current portion	14 558	3 738	19 079
Current portion	81 065	45 884	30 017

Available-for-sale financial assets include:

	30.09.2010	**31.12.2009**
Debt financial assets:	**92 090**	**45 875**
Treasury bonds	92 090	45 875
Equity financial assets	**3 533**	**3 747**
Quoted on the active market	2 887	2 427
Not quoted on an active market	646	1 320
Total	**95 623**	**49 622**

(AMOUNTS IN PLN THOUSAND, UNLESS OTHERWISE STATED)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Equity securities in available-for-sale portfolio include:

Name of entity	Cost of shares	Impairment	Revaluation	Carrying amount
30.09.2010				
XTRADE S.A., Warsaw, Poland	4 000	(4 000)	-	-
Towarowa Giełda Energii S.A., Warsaw, Poland	647	-	-	647
NYSE Euronext, Amsterdam, the Netherlands	828	-	228	1 056
Deutsche Börse, Frankfurt, Germany	396	-	635	1 031
London Stock Exchange, London, United Kingdom	200	-	29	229
Sibiu Monetary Financial and Commodities Exchange, Sibiu, Romania	1 343	-	(782)	561
Centrozap S.A., Katowice, Poland	9	-	-	9
Total equity securities	**7 423**	**(4 000)**	**110**	**3 533**
31.12.2009				
XTRADE S.A., Warsaw, Poland	4 000	(4 000)	-	-
Towarowa Giełda Energii S.A., Warsaw, Poland	647	-	-	647
NYSE Euronext, Amsterdam, the Netherlands	828	-	90	918
Deutsche Börse, Frankfurt, Germany	396	-	867	1 263
London Stock Exchange, London, United Kingdom	200	-	37	237
Sibiu Monetary Financial and Commodities Exchange, Sibiu, Romania	1 324	-	(651)	673
Centrozap S.A., Katowice, Poland	9	-	-	9
Total equity securities	**7 404**	**(4 000)**	**343**	**3 747**

Since there is no active market for shares in XTRADE S.A. and Towarowa Giełda Energii S.A. and it is not possible to reliably determine the fair value of the shares in those companies, they were recognized at cost, net of impairment losses.
Due to the losses of XTRADE S.A. shares in the company were fully impaired.

The fair values of quoted investments are based on current share quotations, while the value of Sibiu Monetary Financial And Commodities Exchange (SIBEX) was estimated using the index method based on comparison between market indexes of other quoted public exchanges. The measurement was made using P/E, P/BV and EV/S ratios, taking into account the discount for limited liquidity (SIBEX is not a listed company). The value of SIBEX was measured using the comparability method, and the carrying amount of SIBEX's shares in its subsidiary and associate was added.

(AMOUNTS IN PLN THOUSAND, UNLESS OTHERWISE STATED)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

9. Trade and other receivables

Trade and other receivables comprise the following:

	30.09.2010	31.12.2009
Gross trade receivables	26 852	21 264
Impairment write-downs of trade receivables	(2 763)	(1 709)
Net trade receivables	24 089	19 555
Dividends receivable	4 078	-
Total financial assets	**28 167**	**19 555**
Prepayments	2 504	2 644
Other receivables and advances	1 224	635
Receivables from the public sector	17	35
Total non financial assets	**3 745**	**3 314**
Total trade and other receivables	**31 912**	**22 869**

Movements in impairment write-downs of trade receivables:

	Nine-month period ended 30.09.2010	Nine-month period ended 30.09.2009
Beginning of the period	**1 709**	**1 520**
Write-downs recorded	1 479	1 393
Receivables written off during the period as uncollectible	(151)	-
Reversal of write-downs	(274)	(312)
End of the period	**2 763**	**2 601**

Movements in impairment write-downs of other receivables:

	Nine-month period ended 30.09.2010	Nine-month period ended 30.09.2009
Beginning of the period	**82**	**77**
Write-downs recorded	-	5
End of the period	**82**	**82**

The recording and reversing of write-down for impaired receivables were recognized as other expenses or other income respectively. The amounts that are charged to the write-downs account are typically written off if the cash is not expected to be collected, i.e. it is highly probable that the debtor will go bankrupt, will be subject of financial restructurisation or when debtor has significant financial difficulties.

(AMOUNTS IN PLN THOUSAND, UNLESS OTHERWISE STATED)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

10. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	30.09.2010	31.12.2009
Cash in hand	6	4
Current accounts	8 425	2 271
Term deposits	49 662	481 892
Total cash and cash equivalents	**58 093**	**484 167**

11. Equity

Equity attributable to shareholders of the parent entity	30.09.2010	31.12.2009
Share capital	63 865	63 865
Other reserves	1 104	1 453
Retained earnings	441 618	455 741
Total	**506 587**	**521 059**

Share capital	30.09.2010	31.12.2009
41 972 000 ordinary shares approved, allocated and paid up	41 972	41 972
Revaluation of the share capital using the inflation rate	21 893	21 893
Total	**63 865**	**63 865**

As at a 30 September 2010 as well as at 31 December 2009 the WSE’s share capital amounted to PLN 41 972 thousand and comprised 41 972 000 shares each of PLN 1.00 par value.

Share capital from before 1996 in the nominal value of PLN 6 000 thousand was revalued with general price index according to IAS 29 p. 24 (the cumulative inflation rate index for the period April 1991 - December 1996 amounted to 464.9%).

The ownership structure of the share capital and percentage of shares in the parent entity as at 30 September 2010 as well as at 31 December 2009:

Shareholder	Nominal value of shares	% of shares in share capital	% of votes
State Treasury	41 475	98.82%	98.82%
Banks	238	0.57%	0.57%
Brokerage houses	203	0.48%	0.48%
Other	56	0.13%	0.13%
Total	**41 972**	**100%**	**100%**

(AMOUNTS IN PLN THOUSAND, UNLESS OTHERWISE STATED)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Other reserves

	30.09.2010	**31.12.2009**
Revaluation reserve in respect of financial assets:	**1 104**	**1 453**
- revaluation	1 232	1 673
- deferred tax (parent entity)	(128)	(220)

Change in the revaluation reserve

	Nine-month period ended 30.09.2010	**Nine-month period ended 30.09.2009**
Beginning of the period	**1 453**	**919**
- parent entity (net)	944	164
- associate (net)	509	755
Additions/decreases	**(349)**	**544**
- changes due to revaluation and sales:	(443)	708
- parent entity	(494)	865
- associate (net)	51	(157)
- deferred tax, parent entity	94	(164)
End of the period	**1 104**	**1 463**
- parent entity (net)	544	865
- associate (net)	560	598

Retained earnings

	Supplementary capital	**Reserves**	**Accumulated profits**	**Profit for the period**	**Total**
31 December 2009	**38 023**	**182 508**	**134 448**	**100 762**	**455 741**
Allocation of profit for 2009	-	148	100 614	(100 762)	-
Dividend (note 20)	-	-	(90 659)	-	**(90 659)**
Profit for the nine-month period ended 30 September 2010 attributable to the shareholders of the parent entity	-	-	-	76 536	**76 536**
30 September 2010	**38 023**	**182 656**	**144 403**	**76 536**	**441 618**

(AMOUNTS IN PLN THOUSAND, UNLESS OTHERWISE STATED)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

31 December 2008	**38 017**	**607 489**	**125 946**	**89 703**	**861 155**
Allocation of profit for 2008	-	195	89 508	(89 703)	-
Dividend (note 20)		(425 176)	(81 006)	-	**(506 182)**
Other adjustments to equity	6	-	-	-	**6**
Profit for the year 2009 attributable to the shareholders of the parent entity	-	-	-	100 762	**100 762**
31 December 2009	**38 023**	**182 508**	**134 448**	**100 762**	**455 741**

31 December 2008	**38 017**	**607 489**	**125 946**	**89 703**	**861 155**
Allocation of profit for 2008	-	195	89 508	(89 703)	-
Profit for the nine-month period ended 30 September 2009 attributable to the shareholders of the parent entity	-	-	-	81 154	81 154
30 September 2009	**38 017**	**607 684**	**215 454**	**81 154**	**942 309**

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

The net profit, which stands for the basis of the dividend's payment, has been calculated according to Polish GAAP. This is due to the fact that applicable binding Polish laws required the preparation of WSE's statutory standalone financial statements until 31 December 2009 in compliance with Polish GAAP.

As required by WSE's Memorandum of Association, the supplementary capital is earmarked for covering losses that may arise on the Company's operations, and for supplementing the share capital. Transfers from profit are made to the supplementary capital, which may not be lower than 10% of the profit. The transfers may be discontinued when the supplementary capital equals a third of the share capital.
The reserves are earmarked for covering investments and other expenses connected with the Company's operations. Reserves can be capitalised as share capital.

(AMOUNTS IN PLN THOUSAND, UNLESS OTHERWISE STATED)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

12. Trade payables and other liabilities

	30.09.2010	**31.12.2009**
Trade payables	2 975	6 840
Amounts due to associates	131	224
Dividends payable	-	506 182
Total financial liabilities	**3 106**	**513 246**
Social security and similar payables	1 301	1 360
Other payables (1)	276	4 523
Accruals and deferred income (2)	7 381	970
Total other liabilities	**8 958**	**6 853**
Total trade payables and other liabilities	**12 064**	**520 099**

(1) Other payables as at 31December 2009 comprise among others payables arising from charges to the Polish Financial Supervision Authority amounting to PLN 4 220 thousand

(2) Accruals and deferred income as at 30 September 2010 include among others annual charges invoiced at the beginning of the calendar year as well as accrued costs amounting to PLN 2 536 thousand. The amount of PLN 4 845 thousand will be recognised as revenues in the fourth quarter of 2010.Remaining amount consists of cost accruals for current operations and IPO.

There are no overdue payables.

13. Revenue

	Nine-month period ended 30.09.2010	**Nine-month period ended 30.09.2009**
Revenue from trading	124 933	110 205
Revenue from listing	14 717	10 689
Revenue from information services	23 948	25 197
Other revenue	1 850	1 849
Total	**165 448**	**147 940**

	Three-month period ended 30.09.2010	**Three-month period ended 30.09.2009**
Revenue from trading	40 666	41 700
Revenue from listing	4 592	3 601
Revenue from information services	7 988	7 972
Other revenue	725	701
Total	**53 971**	**53 974**

(AMOUNTS IN PLN THOUSAND, UNLESS OTHERWISE STATED)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

14. Operating expenses

	Nine-month period ended 30.09.2010	Nine-month period ended 30.09.2009
Depreciation and amortization	12 311	10 766
Salaries (1)	24 013	23 666
Other employee costs (2)	6 461	6 217
Rent and other rent related fees	4 711	5 095
Fees and charges	12 019	9 149
External services	24 842	21 875
Other operating expenses	5 136	5 598
Total	**89 493**	**82 366**

Salaries (1)	**Nine-month period ended 30.09.2010**	**Nine-month period ended 30.09.2009**
Wages and salaries	23 242	22 992
Other employee benefits (prohibition of competition)	166	-
Termination payments	305	267
Employee cost concerning jubilee bonus	300	407
Total	**24 013**	**23 666**

Other employee costs (2)	**Nine-month period ended 30.09.2010**	**Nine-month period ended 30.09.2009**
Social security costs (contributions under the state pension scheme)	3 147	3 104
Retirement benefit costs, defined contribution plans*	1 026	999
Other current service benefits (including: medical services, lunch subsidies, Social Fund)	2 288	2 114
Total	**6 461**	**6 217**

** The Group offers its employees defined contribution plans (Workers' Pension Fund). The plans are financed from contributions made by the Group and employees to the retirement fund that is independent of the Group's financial structure.*

(AMOUNTS IN PLN THOUSAND, UNLESS OTHERWISE STATED)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

	Three-month period ended 30.09.2010	**Three-month period ended 30.09.2009**
Depreciation and amortization	4 139	3 681
Salaries (1)	8 169	7 110
Other employee costs (2)	2 039	2 468
Rent and other rent related fees	1 662	1 799
Fees and charges	3 587	2 989
External services	9 318	7 830
Other operating expenses	1 683	2 073
Total	**30 597**	**27 950**

Salaries (1)	**Three-month period ended 30.09.2010**	**Three-month period ended 30.09.2009**
Wages and salaries	7 853	6 996
Other employee benefits (prohibition of competition)	14	0
Termination payments	199	0
Employee cost concerning jubilee bonus	103	114
Total	**8 169**	**7 110**

Other employee costs (2)	**Three-month period ended 30.09.2010**	**Three-month period ended 30.09.2009**
Social security costs (contributions under the state pension scheme)	874	1 351
Retirement benefit costs, defined contribution plans*	348	453
Other current service benefits (including: medical services, lunch subsidies, Social Fund)	817	664
Total	**2 039**	**2 468**

(AMOUNTS IN PLN THOUSAND, UNLESS OTHERWISE STATED)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

15. Income tax

	Nine-month period ended 30.09.2010	**Nine-month period ended 30.09.2009**
Current income tax	18 319	18 120
Deferred tax (Note 7)	(1 646)	(848)
Total	**16 673**	**17 272**

As required by the Polish tax regulations, the tax rate applicable in 2010 and 2009 is 19%.

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

	Nine-month period ended 30.09.2010	**Nine-month period ended 30.09.2009**
Profit before income tax	**93 306**	**98 454**
Income tax rate	19%	19%
Income tax at the statutory tax rate	**17 728**	**18 706**
Tax effect of:		
Expenses not deductible for tax purposes	911	723
Income not subject to tax	(60)	(66)
Additional income subject to tax	-	19
Other changes	237	-
Non taxable share of profit of associates	(2 143)	(2 110)
Tax charge	**16 673**	**17 272**

16. Contingencies

The tax authorities may inspect the books of account and tax settlements within 5 years after the end of the year in which tax return statements were submitted and they may impose additional tax on the Group, together with penalties and interest.

According to the Management Board, there are no indications of any material contingent liabilities in this respect arising.

17. Contingent liabilities and investment commitments

As at 30 September 2010 and 31 December 2009 the Group had no contingent liabilities and investment commitments.

18. Related party transactions

(AMOUNTS IN PLN THOUSAND, UNLESS OTHERWISE STATED)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Information about transactions with entities held by the State Treasury

The State Treasury is a related party of the Group, as it holds a 98.82% interest in WSE's share capital. Related parties are deemed to be the companies in which the State Treasury holds over 20% of equity. The Group has early adopted from the 1 January 2010 amendment to IAS 24 - Related party disclosures. The Group considered the closeness of the State Treasury related party relationship and other factors relevant in establishing the level of significance of the transaction.

State-controlled entities identified by the parent entity's Management Board also include companies listed on the Warsaw Stock Exchange (issuers of securities) and the stock exchange members. The Group charges fees to the related entities for admission to trading, for floating and listing financial instruments, for enabling the conclusion of transactions in the stock exchange market, for enabling access to the Exchange's information systems and 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.

The Group had no individually significant transactions with entities related to the State Treasury. However, the Group, in a normal course of business, receives revenues (mainly trading revenues) from brokerage houses that are directly or indirectly controlled by the State Treasury: Dom Maklerski PKO Banku Polskiego, Dom Maklerski Banku Ochrony Środowiska S.A. and Biuro Maklerskie BGŻ S.A., that collectively amounted to PLN 16 345 thousand for the nine months ended 30 September 2010 (PLN 17 067 thousand for the nine months ended 30 September 2009).

Therefore, starting from periods commencing on and after 1 January 2010 the Group is exempt from the disclosure requirements of IAS 24 paragraph 18 in relation to State Treasury related party transactions and outstanding balances.

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

In accordance with the Decree of the Minister of Finance of 18 October 2005 on fees paid to the Polish Securities and Exchange Commission by supervised entities, the Group incurs costs of fees, paid to the State Treasury in the amount set by the Polish Financial Supervision Authority (PFSA). The Group contributes monthly prepayments and the PFSA makes final yearly settlements before 15 February of the following year. Fees paid to Polish Financial Supervision Authority for the nine-month period ended 30 September 2010 amounted to PLN 11 339 thousand (for the nine-month period ended 30 September 2009 PLN 8 493 thousand).

Transactions with associates
As at and for the nine-month period ended 30 September 2010

Entity	Receivables	Liabilities	Revenue	Operating expenses
Centrum Giełdowe S.A.	-	130	-	1 401
KDPW S.A.	24	1	330	5
Total	**24**	**131**	**330**	**1406**

(AMOUNTS IN PLN THOUSAND, UNLESS OTHERWISE STATED)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the nine-month period ended 30 September 2009

Entity	Receivables	Liabilities	Revenue	Operating expenses
Centrum Giełdowe S.A.	-	3	-	1 242
KDPW S.A.	111	-	152	2
Total	**111**	**3**	**152**	**1 244**

In the nine-month period ended 30 September 2010 and 30 September 2009 no receivables from related parties were written off and no impairment write-downs on receivables from related parties were recorded.

The Group did not grant any guarantees or warranties for the benefit of related parties.

The Stock Exchange also concluded transactions with the "Książęca 4" Housing Cooperative of which it is a member. Related expenses amounted to PLN 2 195 thousand in the nine-month period ended 30 September 2010. In the nine-month period ended 30 September 2009 related expenses amounted to PLN 2 002 thousand.

Information on remuneration and benefits to key management personnel

The Management Board of parent entity constitutes to key management personnel of the Group.

Remuneration and benefits paid and payable to the members of the Management Board of parent entity:

	Nine-month period ended 30.09.2010	Nine-month period ended 30.09.2009
Remuneration	952	887
Other employee benefits	413	322
Unused holiday pay	155	109
Total	**1 520**	**1 318**

Information on loans advanced to key management personnel

In the nine-month period ended 30 September 2010 as well as 30 September 2009 no loans were advanced to the key management personnel of the Group.

(AMOUNTS IN PLN THOUSAND, UNLESS OTHERWISE STATED)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

19. Cash generated from operations

	Note	Nine-month period ended 30.09.2010	Nine-month period ended 30.09.2009
Profit for the period		**76 633**	**81 182**
Total adjustments		**1 973**	**(19 950)**
Income tax	15	16 673	17 272
Depreciation of property and equipment	4	9 643	8 430
Amortization of intangible assets	5	2 668	2 336
(Gains)/losses on sale of property and equipment		(57)	(1)
Net movements in provisions for liabilities and charges		(50)	(250)
Interest income on securities held to maturity		(3 990)	(7 912)
Interest income on available-for-sale securities		(2 130)	(5 065)
Dividend income on available-for-sale securities		(244)	(291)
Interest income on deposits		(1 022)	(11 372)
Share in profit from associates	6	(11 280)	(11 105)
Adjustment on acquisition of control over BondSpot S.A.		-	(1 091)
Changes in balances of current assets and current liabilities			
Increase in inventories		(8)	(29)
Increase in trade and other receivables and prepayments	9	(4 912)	(6 985)
Increase in trade and other payables	12	(1 843)	(4 156)
Decrease in employee benefit payables		(1 137)	269
Changes in balances of other current financial assets		(338)	-
Cash generated from operations		**78 606**	**61 232**

20. Dividends

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

On 21 October 2009 the Act of 4 September 2009 went into effect changing the Act of 29 July 2005 on Trading in Financial Instruments and another Acts (Journal of Laws of 2009, No. 165, item 1316). According to the changed act WSE shares give a right to dividend to its shareholders.

By virtue of Resolutions Nos. 32 and 33 of the Ordinary General Shareholders' Meeting dated 30 July 2009 PLN 81 006 thousand out of the profit for 2008 and PLN 425 176 thousand out of other reserves was earmarked for payment as dividend. The resolutions became binding on 21 October 2009, i.e. on the date of the enactment of the provisions of the act of 4 September 2008 on amending the act on trading in financial instruments and certain other acts, which enabled the WSE's shareholders to exercise the right to a dividend. A dividend totaling PLN 506 182 thousand as at 31 December 2009 was presented in other liabilities and was paid on 11 January 2010, which was specified as the dividend payment date by the Stock Exchange Council. The dividend paid per share amounted to PLN 12.06.

Since 30 July 2009 i.e. the Ordinary General Shareholders' Meeting until 11 January 2010 WSE accumulated its cash and cash equivalents to be able to pay out the dividend. Specifically these were generated from short-term bank deposits as well as sale of financial assets classified as available for sale.

By virtue of Resolution No. 4 of the Ordinary General Shareholders' Meeting dated 30 June 2010 out of the PLN 90 659 thousand net profit for the year ended 31 December 2009 was earmarked for payment as dividend totaling. Dividend payment date was established at 20 July 2010. A dividend was paid on 20 July 2010, which was specified as the dividend payment date in the Resolution No. 4. The dividend paid per share amounted to PLN 2.16.

21. Earnings per share

Basic	**Nine-month period ended 30.09.2010**	**Nine-month period ended 30.09.2009**
Profit attributable to shareholders of the parent entity	76 536	81 154
Weighted average number of ordinary shares in issue (in thousands)	41 972	41 972
Basic earnings per share, in PLN	**1,82**	**1,93**

Diluted	**Nine-month period ended 30.09.2010**	**Nine-month period ended 30.09.2009**
Profit attributable to shareholders of the parent entity	76 536	81 154
Weighted average number of ordinary shares for diluted earnings per share (in thousands)	41 972	41 972
Diluted earnings per share, in PLN	**1,82**	**1,93**

Basic	**Three-month period ended 30.09.2010**	**Three-month period ended 30.09.2009**
Profit attributable to shareholders of the parent entity	22 163	30 150
Weighted average number of ordinary shares in issue (in thousands)	41 972	41 972

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Basic earnings per share, in PLN	**0,53**	**0,72**

Diluted	**Three-month period ended 30.09.2010**	**Three-month period ended 30.09.2009**
Profit attributable to shareholders of the parent entity	22 163	30 150
Weighted average number of ordinary shares for diluted earnings per share (in thousands)	41 972	41 972
Diluted earnings per share, in PLN	**0,53**	**0,72**

22. Other comprehensive income

	Nine-month period ended 30.09.2010	**Nine-month period ended 30.09.2009**
Revaluation of assets for sale portfolio	(494)	865
Sale of available for sale securities	-	-
Deferred tax	94	(164)
Associates (after tax)	51	(157)
Total other comprehensive income after tax	**(349)**	**544**

23. Segment reporting

Following the “management approach”, operating segments are reported in accordance with the internal reporting provided to the parent entity’s parent entity’s Management Board (the chief operating decision-maker), which is responsible for allocating resources to the reportable segments and assesses their performance.

The operating segments of the Group were identified by the type of products and services, from which a given operating segment earns revenues.

For the nine-month period ended 30 September 2010 and for the nine-month period ended 30 September 2009 the Group was engaged in activities in three main operating segments:

- trading (transaction fees dependant on the stock exchange market turnover, stock exchange system access fees, charges for servicing brokerage application);
- listing (annual fees for the listing of securities and one-off charges e.g. charges for admission and introducing the securities to stock exchange trading);
- information services.

At the moment, the Group does not analyse costs of the individual operating segments. However, it intends to implement activity based costing model, which will support appropriate segment cost allocation. Furthermore, the Group does not allocate assets and liabilities to individual segments.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The Group's other revenues comprise mainly the provision of training services and rental of space. None of these areas of operations represent reportable segments. The parent entity's Management Board does not analyse data relating to the subsidiaries and associates.

For the nine-month period ended 30 September 2010 and for the nine-month period ended 30 September 2009 there were no sales between the segments.

The Group's operating segments are concentrated on the territory of Poland. All Group assets other than financial assets are located in Poland.

The following tables present a reconciliation of the data analysed by the Management Board of the parent entity with the relevant items shown in these condensed consolidated interim financial statements.

(AMOUNTS IN PLN THOUSAND, UNLESS OTHERWISE STATED)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2010, the segment revenues were as follows:

		WSE*	Subsidiaries	Other adjustments	Total**
Revenue (external transactions)		158 730	7 229	(511)	165 448
Segments	Trading	118 727	6 206	-	124 933
	Listing	14 589	128	-	14 717
	Information services	23 929	34	(15)	23 948
	Other	1 485	861	(496)	1 850
Operating expenses		83 842	6 230	(579)	89 493
Profit on sales		74 888	999	68	75 955
Other operating (loss)/gain		(1 124)	43	-	(1 081)
Operating profit		73 764	1 042	68	74 874
Net finance gain		7 051	330	(229)	7 152
Share of profit of associates		-	-	11 280	11 280
Profit before income tax		**80 815**	**1 372**	**11 119**	**93 306**

** Data analyzed by the Management Board of WSE*
*** As presented in Consolidated Statements of Comprehensive Income*

For the nine-month period ended 30 September 2009, the segment revenues were as follows:

		WSE*	Subsidiaries	Other adjustments	Total**
Revenue (external transactions)		142 513	5 690	(263)	147 940
Segments	Trading	105 216	4 989	-	110 205
	Listing	10 609	80	-	10 689
	Information services	25 189	132	(124)	25 197
	Other	1 499	489	(139)	1 849
Operating expenses		76 502	6 127	(263)	82 366
Profit/(loss) on sales		66 011	(437)	-	65 574
Other operating (loss)/gain		(2 650)	129	50	(2 471)
Operating profit/(loss)		63 361	(308)	50	63 103
Net finance gain		23 893	353	-	24 246
Share of profit of associates		-	-	11 105	11 105
Profit before income tax		**87 254**	**45**	**11 155**	**98 454**

** Data analyzed by the Management Board of WSE*
*** As presented in Consolidated Statements of Comprehensive Income*

(AMOUNTS IN PLN THOUSAND, UNLESS OTHERWISE STATED)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three-month period ended 30 September 2010, the segment revenues were as follows:

		WSE*	Subsidiaries	Other adjustments	Total**
Revenue (external transactions)		51 535	2 664	-228	53 971
Segments	Trading	38 458	2 208	-	40 666
	Listing	4 528	64	-	4 592
	Information services	7 968	21	-1	7 988
	Other	581	371	-227	725
Operating expenses		28 737	2 162	-302	30 597
Profit on sales		22 798	502	74	23 374
Other operating (loss)/gain		-1 307	8	-	-1 299
Operating profit		21 491	510	74	22 075
Net finance gain		940	103	-157	886
Share of profit of associates		-	-	4 434	4 434
Profit before income tax		**22 431**	**613**	**4 351**	**27 395**

** Data analyzed by the Management Board of WSE*
*** As presented in Consolidated Statements of Comprehensive Income*

For the three-month period ended 30 September 2009, the segment revenues were as follows:

		WSE*	Subsidiaries	Other adjustments	Total**
Revenue (external transactions)		52 085	1 993	-104	53 974
Segments	Trading	39 903	1 797	-	41 700
	Listing	3 560	41	-	3 601
	Information services	7 991	35	-54	7 972
	Other	631	120	-50	701
Operating expenses		26 191	1 863	-104	27 950
Profit on sales		25 894	130	-	26 024
Other operating (loss)/gain		-794	-33	17	-810
Operating profit		25 100	97	17	25 214
Net finance gain		7 006	93	-	7 099
Share of profit of associates		-	-	4 536	4 536
Profit before income tax		**32 106**	**190**	**4 553**	**36 849**

** Data analyzed by the Management Board of WSE*
*** As presented in Consolidated Statements of Comprehensive Income*

(AMOUNTS IN PLN THOUSAND, UNLESS OTHERWISE STATED)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Revenue by geographical region was as follows:

	Nine-month period ended 30.09.2010	Share (%)	Nine-month period ended 30.09.2009	Share (%)
Domestic sales	135 672	82,00%	122 655	82,91%
Export sales	29 776	18,00%	25 285	17,09%
Total	**165 448**	**100,00%**	**147 940**	**100,00%**

	Three-month period ended 30.09.2010	Share (%)	Three-month period ended 30.09.2009	Share (%)
Domestic sales	44 860	83,12%	46 531	86,21%
Export sales	9 111	16,88%	7 442	13,79%
Total	**53 971**	**100,00%**	**53 973**	**100,00%**

The following tables present a reconciliation of total assets and liabilities as analysed by Management Board to total assets and liabilities presented in these condensed consolidated interim financial statements.

Assets and liabilities of the company are presented in the assets and liabilities of the Group as at 30 September 2010 as follows:

30.09.2010	WSE	Subsidiaries	Associates*	Other adjustments**	Total***
Total assets	352 525	14 298	174 533	(7 303)	**534 053**
Total liabilities	25 623	1 974	-	(947)	**26 650**

** representing the difference between the carrying amount of the associates determined using the equity method and their measurement at cost net of impairment as analysed by the Management Board*

*** other adjustments include consolidation eliminations such as: (1) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary (2) the dividend declared by KDPW S.A. (the Associate) (3) non-controlling interests in the profit or loss of consolidated subsidiaries for the reporting period (4) non-controlling interests in the net assets of consolidated subsidiaries (5) intragroup balances, transactions, income and expenses*
**** as presented in Consolidated Statement of Financial Position*

(AMOUNTS IN PLN THOUSAND, UNLESS OTHERWISE STATED)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Assets and liabilities are presented in the assets and liabilities of the Group as at 30 September 2009 as follows:

30.09.2009	WSE	**Subsidiaries**	**Associates***	**Other adjustments****	**Total*****
Total assets	863 495	12 420	167 813	(12 104)	**1 031 624**
Total liabilities	24 738	967	0	(2 758)	**22 947**

** representing the difference between the carrying amount of the associates determined using the equity method and their measurement at cost net of impairment as analysed by the Management Board*

*** other adjustments consist among the other consolidation elimination such as: (1) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary (2) non-controlling interests in the profit or loss of consolidated subsidiaries for the reporting period (3) non-controlling interests in the net assets of consolidated subsidiaries (4) intragroup balances, transactions, income and expenses*

**** as presented in Consolidated Statement of Financial Position*

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

24. Events after the balance date

On 18 October 2010 a conditional purchase agreement was signed with ELBIS Sp. z o.o. regarding purchase of a Platform for Power Trading (Platforma Obrotu Energią Elektryczną), which is the organised part of an enterprise. The buyers, on the basis of co-ownership in fractional shares, are GPW, KDPW S.A. and WSE InfoEngine S.A. The transaction's value amounts to PLN 15 000 thousand, provided that PLN 8 500 thousand constitutes GPW's share. The agreement will be effective only if the Financial Supervision Commission issues a decision approving the Stock Exchange Clearinghouse Rules and the President of the Office of Competition and Consumer Protection grants its consent for concentration of power trading.