

Market Environment**Mission and Strategy of the GPW Group****Implementation of the GPW Group Strategy in 2016****Business Lines****International Activity of the GPW Group****Development of the GPW Group in 2017****Risks and Threats****Other Information****ONLINE
ANALYST****PAGE TOOLS**

The main objective of the strategy pursued by the GPW Group in 2016 is to make GPW a stock exchange of first choice for investors and issuers in Central and Eastern Europe.

In 2016, the GPW Group was working to develop a new strategy. The final draft was tabled to the GPW Supervisory Board for approval in September 2016. Consultations on the new strategy and its main assumptions with the Supervisory Board were not yet completed by the year's end; hence, the strategy GPW.2020 approved in October 2014 continued to be implemented by the Group throughout 2016. It should be noted that the measures identified in the strategy from 2014., In the view of the current Management Board of the Warsaw Stock Exchange, can hardly be considered up to date, given the volatility of the environment and operating conditions of the Company in 2014-2016.

According to the assumptions of the strategy GPW.2020, the Warsaw Stock Exchange plays an important role in the economy: it provides growth capital to companies and local governments, thus supporting national growth by creating new jobs, fostering innovation, and raising the standards for public companies. GPW addresses the needs of Polish companies and local governments with a full range of available instruments tailored for

both large and small market players active in all sectors. This is based on state-of-the-art technology, in compliance with the highest standards, ensuring security of trade on the markets operated by the Group, including the appropriate liquidity of traded instruments, as well as a broad range of products and services.

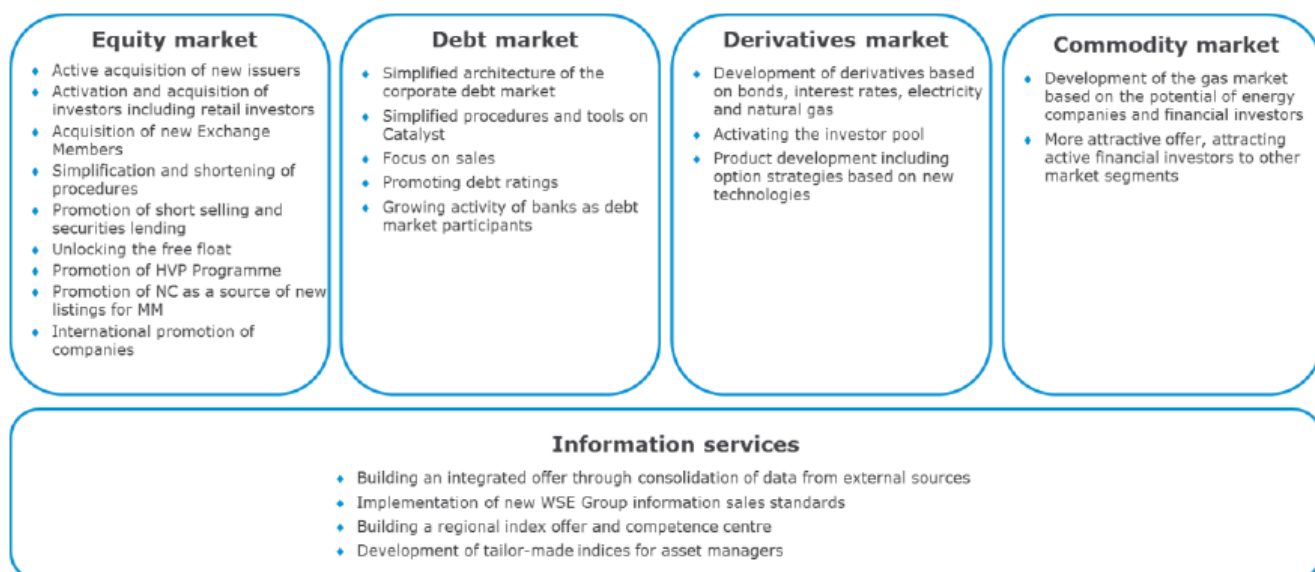
The GPW Group pursues its strategy through comprehensive development and utilisation of available skills and resources. This is supported by efforts focused on further operational integration of the GPW Group including the consolidation of processes and procedures, the establishment of a shared services centre, and the optimisation of real estate.

In addition, the strategy GPW.2020 provides for improved cost efficiency. A savings programme has been put in place covering such cost lines as rent, IT services, external service charges. This savings are used to support the areas with the greatest potential of growth, enabling GPW to better align with the demanding environment.

According to the strategy GPW.2020, the growth of the GPW Group will rely on six pillars:

- a liquid equity market;
- a developed debt market;
- a competitive derivatives market;
- a commodity market attractive to investors;
- a comprehensive offer of information products for investors and issuers;
- new business segments opened based on existing competences of the Group.

GPW'S KEY STRATEGIC INITIATIVES, STRATEGY GPW.2020



KEY ASPIRATIONS OF THE GPW GROUP BY 2020

Equity market	<ul style="list-style-type: none"> ◆ # companies listed on Main Market > 550 ◆ Velocity ratio on Main Market > 50% ◆ NewConnect – important source of new listings for Main Market ◆ NewConnect – improved quality and attractiveness for investors
Debt market	<ul style="list-style-type: none"> ◆ # non-Treasury issues > 1 thou. ◆ Focus on issues > PLN 100 mn ◆ Simplified structure of Catalyst and development of TBSP
Derivatives market	<ul style="list-style-type: none"> ◆ Developed market in electricity and gas derivatives ◆ Active market in interest rate/debt derivatives ◆ New derivatives depending only on clients' needs
Commodity market	<ul style="list-style-type: none"> ◆ Financial market in electricity >60% of domestic consumption ◆ Financial market in gas > 15% of liberalised gas market
Market information	<ul style="list-style-type: none"> ◆ One offer for all sources of data across the Group ◆ Development of index products ◆ Manufacture of tailored-made information products
New Business Segments	<ul style="list-style-type: none"> ◆ Post-trade services: integrated offer to address changing needs for clearing and risk management ◆ Under consideration: coal market, agricultural market, ETP
Operating efficiency	<ul style="list-style-type: none"> ◆ C/I ratio < 0.50 ◆ Organisational and operational integration of the Group