



BURSA DE VALORI BUCUREȘTI

November 6, 2014, Bucharest

QUARTERLY REPORT

as of September 30, 2014

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Annexes

The Assets, liabilities and equity statement, the Profit and loss account and the Main financial indicators as of September 30, 2014 prepared according to the Accounting Rules in compliance with Directive IV of the European Economic Community applicable for authorized entities, supervised and monitored by Financial Supervisory Authority (FSA).

DISCLAIMER

This English language report is a convenience translation of the Romanian language "Quarterly Report as of September 30, 2014". The Romanian version of the report is the official document.

CONTINUATION IN REFORMING THE MARKET PUSHED TURNOVER AND FINANCIAL RESULTS HIGHER THAN EXPECTED

The Bucharest Stock Exchange (BVB) continued its endeavors to bring the local market to standards well-recognized by the investor community, both local and international. Significant infrastructure projects, such as improvements to the market making program, the separation of the trading system from post-trading, the new trade settlement period (T+2), to name only a few, reached their final stage and were implemented at the beginning of October. These projects, along with the reduction of trading fees, have become new milestones in BVB's road to modernity and the medium-size CEE exchanges category. These efforts were doubled by actions aimed at facilitating investors' access to information and improving corporate governance, essential features of a transparent and efficient market.

BVB¹ generated sales revenues² of RON 5.79 mn during the third quarter of 2014, up by 22% year-on-year. Without accounting for public offers, figures point towards flattish turnover for the equities market compared to 2Q 2014, at RON 2.79 bn, which makes the analyzed period the second best quarter of the last 3 years. The average daily turnover for the regulated stock market (public offers excluded) reached RON 42 mn and maintained the significant double-digit growth rate compared to the previous year, i.e. 32% above the 2013 figure.

The operating profit amounted to RON 2.94 mn in 3Q 2014 and marked a 181% increase compared to the prior-year period. Compared to the previous quarter, when the largest IPO in the history of BVB took place and lifted revenues, the operating profit declined. Lower expenses supported the performance at operating level, as more than 10% decline rates were registered compared to both 2Q 2014 and 3Q 2013.

The third quarter financial profit went to RON 1.45 mn, significantly above figures reported for previous quarters. The increase is attributable to the sharp depreciation of the local currency against main foreign currencies, resulting in significant unrealized foreign exchange gains of RON 0.88 mn.

The third quarter ended with a net profit of RON 3.69 mn, translating into earnings per share of RON 0.48, 3 times above 3Q 2013 and 13% lower on a q-o-q basis.

All in all, financial figures after the first 9 months of the year pictured a growing market that took advantage of the many structural and operational changes undertaken over the past year. Investments in growth initiatives and infrastructure have started materializing and translated into revived trading activity. The total trading value for the first 9 months reached RON 8 bn, without accounting for public offers. For the regulated stock market alone, the average daily turnover was RON 41.05 mn, marking a significant 41% y-o-y increase. Additional turnover came from the public offers segment, which among other significant deals brought Electrica IPO (EUR 444 mn), one of the largest IPOs in Europe this year, according to the *IPO Watch Europe* report issued by PwC. It is also worth mentioning that 80% of Electrica IPO was placed through shares, due to the increased appetite to invest directly in instruments

¹ The financial data have not been audited and represent the individual results of the Bucharest Stock Exchange, prepared up according to the Romanian Accounting Standards (RAS); the financial indicators are expressed in million RON and are rounded off to the nearest integer, resulting in small reconciliation differences.

² BVB's sales revenue consists mainly from fees charged for trades with all listed instruments, fees for listing of companies and instruments, and revenues from data vending services provided to various users.

traded at the fast-changing platform of the Bucharest Stock Exchange – as compared to the allocation structure for Romgaz offering in October 2013.

■ Thus, sales revenues reached RON 18.88 mn after the first 9 months of 2014, up by 39% on the previous year. The operating profit followed suit and came at RON 8.83 mn, 145% higher year-on-year.

■ The financial profit for the first 9 months was RON 2.27 mn, lower compared to the year-ago period. Lower interest revenues and the lack of dividends from subsidiaries (i.e. the Central Depository) were partially offset by the revaluation of investments denominated in foreign currencies, given the depreciation of the RON against the EUR and USD.

■ BVB ended the first 9 months of the year with RON 9.33 mn, which represented 94% of the figure projected for the full year.

FINANCIAL HIGHLIGHTS

| Indicators | | 3Q.2014 | 2Q.2014 | Change | 3Q.2013 | Change | 9M.2014 | 9M.2013 | Change |
|---|--------|---------|---------|--------|---------|--------|---------|---------|--------|
| Individual profit and loss account | | | | | | | | | |
| Net sales | RON mn | 5.79 | 8.45 | -31% | 4.74 | 22% | 18.88 | 13.63 | 39% |
| Operating profit | RON mn | 2.94 | 4.68 | -37% | 1.05 | 181% | 8.83 | 3.60 | 145% |
| Financial profit | RON mn | 1.45 | 0.37 | 291% | 0.39 | 272% | 2.27 | 2.61 | -13% |
| Net profit | RON mn | 3.69 | 4.25 | -13% | 1.22 | 202% | 9.33 | 5.46 | 71% |
| Earnings per share | RON | 0.48 | 0.55 | -13% | 0.16 | 202% | 1.22 | 0.71 | 71% |
| Individual balance sheet (end of period) | | | | | | | | | |
| Shareholders' equity | RON mn | 98.11 | 94.42 | 4% | 93.79 | 5% | 98.11 | 93.79 | 5% |
| Total assets | RON mn | 103.84 | 103.47 | 0% | 99.64 | 4% | 103.84 | 99.64 | 4% |
| Ratios | | | | | | | | | |
| Operating margin | % | 51% | 55% | - | 22% | - | 47% | 26% | - |
| Net margin | % | 64% | 50% | - | 26% | - | 49% | 40% | - |
| Return on equity | % | 4% | 5% | - | 1% | - | 10% | 6% | - |
| Market statistics (including DEAL trades and public offers) | | | | | | | | | |
| Turnover for shares, rights and units | RON mn | 3,031 | 4,906 | -38% | 2,293 | 32% | 10,274 | 6,575 | 56% |
| Turnover for bonds and government securities | RON mn | 13 | 818 | -98% | 377 | -97% | 868 | 1,115 | -22% |
| Turnover for shares, rights, units, bonds and government securities | RON mn | 3,044 | 5,723 | -47% | 2,670 | 14% | 11,141 | 7,690 | 45% |
| Average daily turnover for shares, rights, units, bonds and government securities | RON mn | 46,8 | 92,3 | -49% | 41,1 | 14% | 58,9 | 40,7 | 45% |
| BVB share statistics | | | | | | | | | |
| Opening price (closing price of the previous day) | RON | 29.81 | 28.77 | 4% | 18.30 | 63% | 32.50 | 20.00 | 63% |
| High (intraday price) | RON | 31.00 | 29.81 | 4% | 25.69 | 21% | 32.39 | 25.69 | 26% |
| Low (intraday price) | RON | 28.45 | 25.00 | 14% | 18.15 | 57% | 24.70 | 17.00 | 45% |
| Closing price (end of period) | RON | 30.30 | 29.81 | 2% | 24.50 | 24% | 30.30 | 24.50 | 24% |
| Trading value, including DEAL trades | RON mn | 13.50 | 10.30 | 31% | 19.94 | -32% | 35.37 | 45.03 | -21% |
| Average daily turnover, including DEAL trades | RON mn | 0.21 | 0.17 | 23% | 0.31 | -32% | 0.19 | 0.24 | -22% |

COMPANY INFORMATION

| Legal entity | BURSA DE VALORI BUCUREȘTI SA |
|------------------------|---|
| Main activity | Administration of financial markets |
| CAEN code | 6611 |
| Sole Registration Code | 17777754 |
| Trade Register no | J40/12328/2005 |
| Address | 34-36 Carol I Blvd., floors 13-14, District 2, Bucharest |
| Symbol | BVB |
| ISIN | ROBVBAACNOR0 |

The Bucharest Stock Exchange (BVB) was established based on the Decision of the National Securities Commission (NSC) no. 20/1995. BVB was created as a public non-profit institution and in 2005 it became a joint stock company. The shares of the Bucharest Stock Exchange were admitted on BVB's spot regulated market on June 8, 2010. The Company's main activity is the administration of financial markets. BVB is the largest market operator in Romania.

The Bucharest Stock Exchange operates several markets:

- a spot regulated market where financial instruments such as shares and rights (issued by international and Romanian entities), debt instruments (corporate, municipality and government bonds issued by Romanian entities and international corporate bonds), UCITs (shares and fund units), structured products, tradable UCITS (ETFs) are traded;
- an alternative trading system (ATS), where foreign stocks listed on other markets and securities issued by Romanian companies are traded;
- RASDAQ market where shares and rights issued by Romanian entities are traded, most of them coming from the mass privatization programme.

BVB's operating revenues are generated mainly from the trading of all the listed financial instruments, from fees charged to issuers for the admittance and maintenance to the trading system, as well as from data vending to various users.

BVB was included in several indices: FTSE Mondo Visione Exchanges Index, on November 9, 2010, BET Index, on March 21, 2011, Dow Jones Global Exchanges Index, on June 17, 2011, ROTX Index on September 19, 2011 and since July 3, 2012, BVB is also part of BET-BK.

MAIN EVENTS DURING THE THIRD QUARTER OF 2014

3 July – After the successful EUR 444 mn IPO executed in June, the shares of **Electrica** started trading on BVB's Regulated Market, the Equity Segment, Tier 1 Shares. Raiffeisen Centrobank AG, one of the Participants that had joined BVB's market makers program, announced that it would act as a market maker for Electrica shares.

9 July – BVB announced the first results of the **market making program** launched in January 2014. At the beginning of July, the 4 Participants which are part of the program were ensuring liquidity for 9 issuers listed on the Regulated Market. In 2013, only 2 companies benefited from such services. The pilot program, which included reduced trading fees for market makers and facilities aimed at increasing the efficiency of such services, allowed Participants to register as market makers for more shares than in the past, while some of them became market makers for the first time. In addition, some companies benefited for the first time from a market maker's services. Also taking into account the gradual increase in market makers' trading value, especially during the 2nd quarter, the pilot program was extended for another 12 months.

22 July – BVB released the first edition of the **International Investors' Guide**, part of the *InvestingRomania* program. The Guide includes relevant information that a foreign investor would like to know about Romania when interested to invest on Romanian capital markets.

29 July – BVB's Board decided that BVB will not charge any fees for transactions executed on the primary market by the Ministry of Public Finance (MFP) for **government securities issuances designed exclusively for retail investors**. BVB thus aims to define an efficient framework for these instruments, based also on the fee structure, thus supporting the development of this segment by attracting new investors and by encouraging an active market. Trading fees charged for transactions for the secondary market will be RON 1/trade, for both buyers and sellers.

On the same date, BVB announced the inclusion of **Electrica** shares in BET, BET-XT, BET-BK, BET Plus and BET-NG following the Index Committee meeting on BVB indices' quarterly adjustment and rebalancing. The new structures of the indices became effective on August 11, 2014.

27 August – After the launch of its mobile application, BVB continued its endeavors aimed at adapting business to new technologies by introducing the **new BVB tablet app**. BVB's apps are designed for investors and stakeholders interested in accessing up-to-date information, prices and news from BVB's markets. During the first months since the launch, the smartphone app was downloaded by almost 4,000 users. The app is available for download from Google Play and Apple Store, free of charge.

28 August – The **Financial Supervisory Authority** adopted meaningful **regulations** enhancing the protection of investors' rights regarding, among others, the dividend payments procedures, the execution of voting rights and the requirements related to the opening of investment accounts, in line with the diagnosis contained in the Eight Barriers Elimination Program.

1 September – The Index Committee decided to launch **BET Total Return (BET-TR)** on September 22, 2014. The index has the same composition as the reference index BET and will track the overall performance of the constituents, including the price performance and the dividends.

In addition, the Committee established the **screening criteria related to reporting quality and investor relations activities** for determining the eligible companies for BET and BET-TR indices. Thus, starting with January 1, 2015, eligible companies will have to comply with three criteria: reporting according to IFRS, submitting English language reports (current and periodic) simultaneously with the Romanian version and organizing events for investors and analysts on a quarterly basis.

2 September – BVB announced that October 6 will be the date of enforcement of the changes to *BVB Rulebook – Market Operator* regarding the **separation of the trading and post-trading systems**, according to the joint decision of BVB and the Central Depository. The announcement came after the Financial Supervisory Authority (FSA) had approved these changes on August 12. Later during the month, on September 10, FSA endorsed October 6 as the date of enforcement of the changes to *BVB Rulebook*.

8 September – BVB announced **lower trading fees to be charged starting with October 1** for trades executed on the Regular market, Rasdaq market, ATS and the Unlisted market. BVB's decision, which follows a similar move of the FSA to lower its own fees, is meant to encourage the trading activity and contribute to the development of the local capital market. Lower fees would apply to shares, fund units, rights, ETFs, structured products, bonds and government securities, with some exceptions for Deal markets. Thus, the fee for trading shares on the Regular and Odd Lot segments would fall to 0.04% for the buy side and 0.1% for the sell side of the trade. For bonds, the fee will be 0.01% for both the buyer and the seller.

11 September – **Ipopema Securities SA**, one of the leading Polish brokerage houses which recently became BVB member, performed its first trades on the local market.

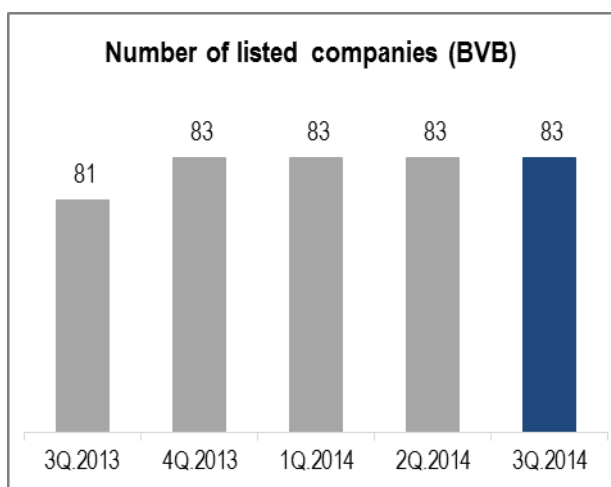
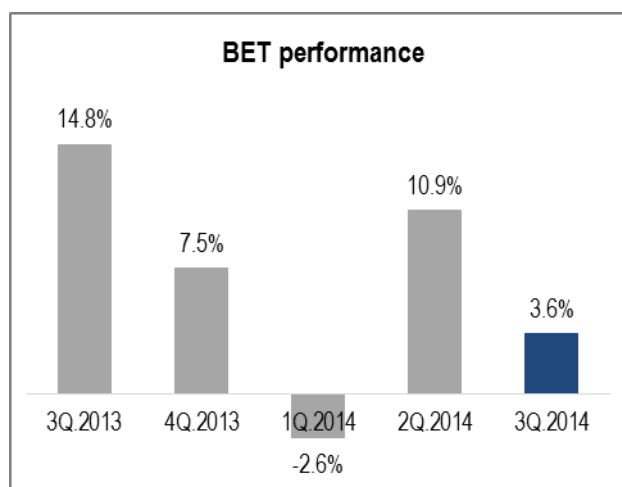
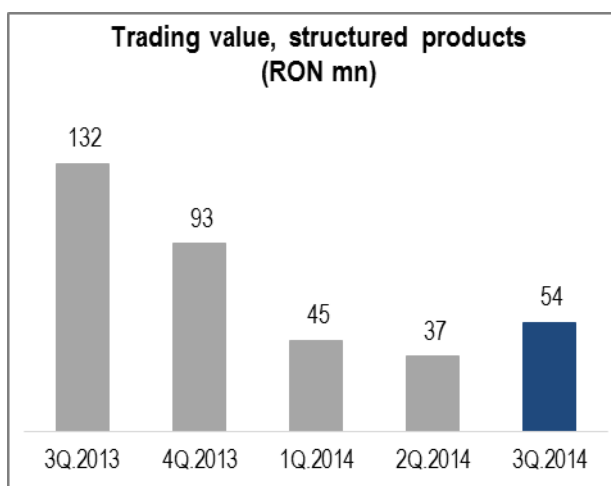
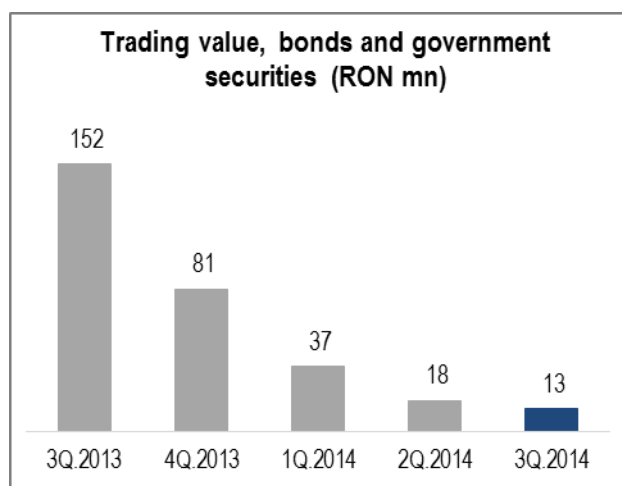
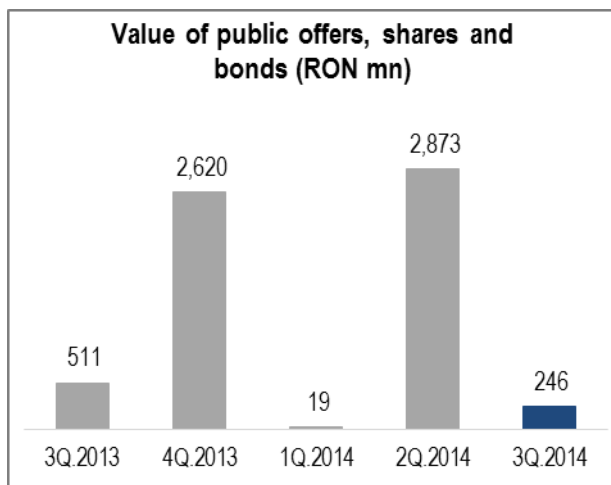
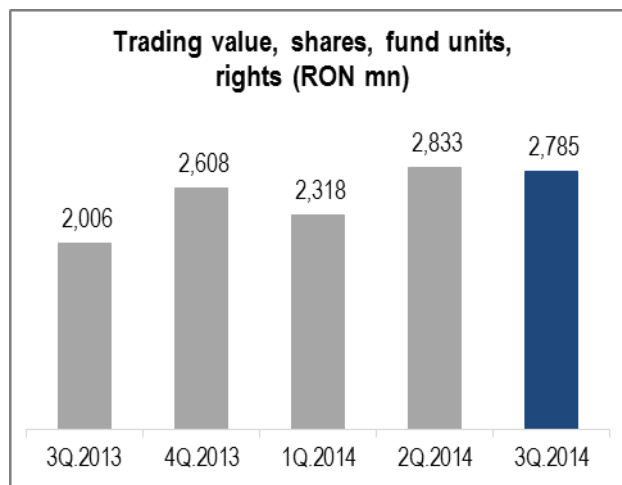
25 September – A new issue of **benchmark government securities** issued by the Ministry of Public Finance (RON 734.25 mn nominal value, maturing in 2025, 4.75% interest rate) started trading on BVB's Debt securities – Treasury bonds tier.

On the same date, BVB announced further **measures to stimulate market makers' activity** which would become effective on October 1. These measures implied discounts to be provided to new entrants in the program for a 6-month period, while for existing market makers BVB will apply an additional incentives package, called the Revenue Sharing Scheme. The latter implies incentives which are directly linked with the percentage of the market maker's activity in the total traded value for a particular issuer in the main market.

During the **3rd quarter of the year**, 23 new series of turbo certificates issued by Erste Bank and 2 new series of turbo certificates issued by SSIF Broker started trading on BVB's Structured Products segment. These instruments have indices, stocks (Volkswagen VZ, Deutsche Bank, Fondul Proprietatea, Banca Transilvania, OMV Petrom, Erste Group Bank), commodities and foreign exchange rates as underlying assets.

In addition, SSIF Broker issued the **first ever capital protection certificate**, having the shares of adidas AG as underlying asset. The certificate started trading at BVB on September 1.

BVB's OPERATING ACTIVITY³



³ Source: BVB. The traded value is presented based on a "single counted" basis, includes DEAL trades and excludes public offers

ANALYSIS OF FINANCIAL RESULTS

The financial results are prepared according to the Romanian Accounting Standards (RAS) and in compliance with the rules and regulations of the Financial Supervisory Authority. The financial results as of September 30, 2014 are not audited.

Activity results for the third quarter of 2014

News on world macroeconomic prospects have not brought substantial surprises over the third quarter of the year. Even though the US economy contracted during the first quarter of 2014, albeit on temporary weather conditions, for the full year the economic performance is expected to remain in positive territory, as all signs show that the US is rebounding. In Europe, the picture remained unchanged as well, with low inflation and slow recovery being the main items on authorities' agendas. These worries had prompted the European Central Bank (ECB) to introduce additional monetary policy measures in June, but without major positive effects as economic policies to support sustainable growth are still needed.

Meanwhile, emerging and developing countries faced declining GDP growth rates, led by China and South America, and geopolitical risks given the tensions in Ukraine and Middle East have become more prominent.

Financial markets suffered a temporary rise in volatility in July, mainly on heightened geopolitical risks, the reemerging issues for some European banks, and worries related to the future monetary policy of the US. This episode was short-lived, as sentiment improved. During August and September, financial markets continued to be influenced by expectations on more restrictive monetary policy in the US, signals from the BCE, macroeconomic indicators and quarterly financials released by companies.

Under the influence of international markets, July was the only month of the quarter when the reference index for the Romanian market, BET, registered a decline. For the full quarter, it marked a 3.6% increase. The performance was closely linked to Electrica's listing and the financial results released by companies over the reporting season. In addition, the low interest rate environment, stimulated by renewed monetary policy rate cuts to a record low of 3%, continued to push investors towards the asset management industry and the capital market.

In terms of liquidity, the stock market turnover excepting public offers stabilized at RON 2.79 bn, marking a slight 2% decline compared to the previous quarter. 3Q 2014 thus became the second best quarter in terms of equities turnover for the last 3 years. In y-o-y terms, the stock market turnover was almost 39% higher. The average daily turnover for the regular stock market reached RON 42 mn, 6% below the previous quarter, but maintained its significant double-digit growth rate compared to the previous year (up 32% above the 2013 figure).

During the analyzed period, deals performed on the public offers segment included the private placement of Transelectrica shares (RON 212.8 mn) and a tender offer initiated by Biofarm for a stake of its own capital, worth of RON 33.4 mn.

| Profit and loss account (RON mn) | 3Q 2014 | 2Q 2014 | Change 3Q 2014 vs 2Q 2014 | 3Q 2013 | Change 3Q 2014 vs 3Q 2013 |
|--------------------------------------|---------|---------|------------------------------|---------|------------------------------|
| Operating revenues, of which: | 6.19 | 8.45 | -26.8% | 4.80 | 29.0% |
| - sales revenues | 5.79 | 8.45 | -31.5% | 4.74 | 22.3% |
| Operating expenses, of which: | 3.24 | 3.77 | -14.1% | 3.75 | -13.5% |
| - Personnel expenses | 1.75 | 1.74 | 0.6% | 2.23 | -21.3% |
| Operating profit | 2.94 | 4.68 | -37.1% | 1.05 | 181.5% |
| Financial profit | 1.45 | 0.37 | 291.4% | 0.39 | 272.5% |
| Pre-tax profit | 4.39 | 5.05 | -13.0% | 1.44 | 206.2% |
| Net profit | 3.69 | 4.25 | -13.2% | 1.22 | 202.1% |
| Earnings per share (RON) | 0.48 | 0.55 | -13.2% | 0.16 | 202.1% |

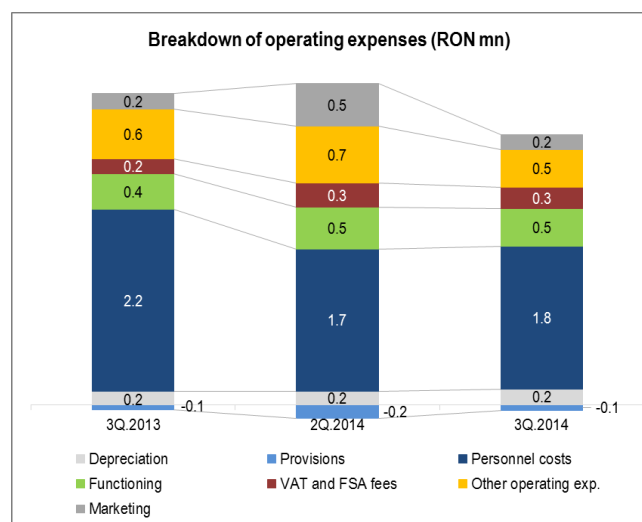
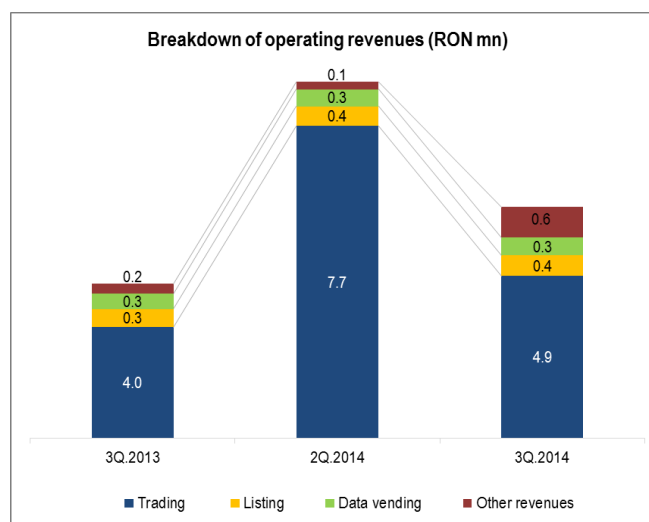
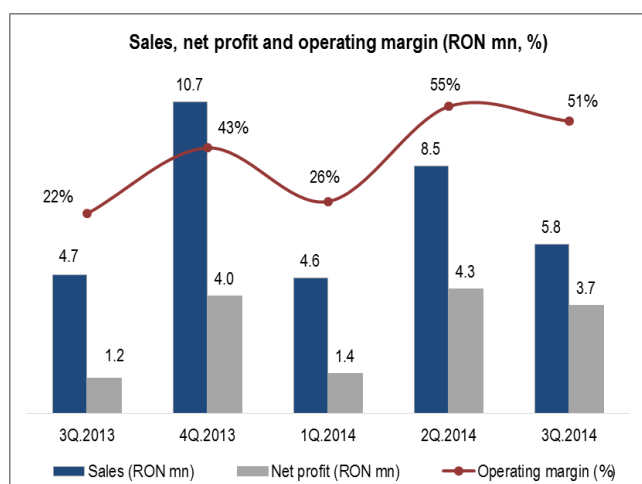
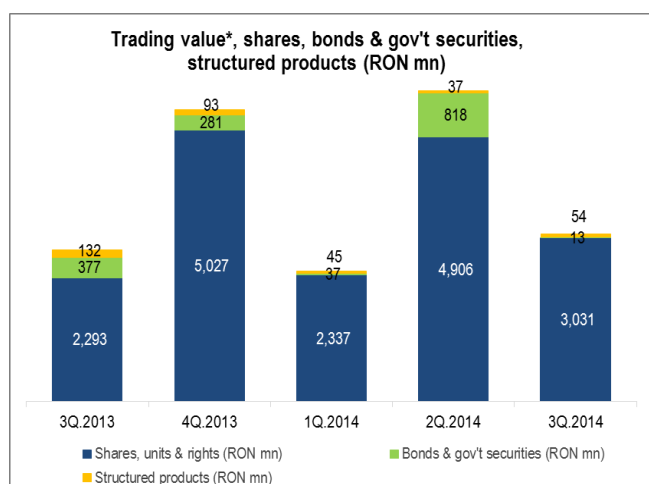
Trading with fixed-income instruments (bonds and government securities) totaled RON 13 mn, while structured products turnover went up 45% q-o-q to RON 54 mn.

BVB's **trading revenues** reached RON 4.94 mn, 35% below the previous quarter, when the largest ever IPO took place at BVB, and by 23% higher compared to the year-ago period.

Admission and maintenance fees charged to issuers increased by 4% q-o-q to RON 0.37 mn, and by 14% y-o-y, on higher fees from listing structured products and additional fees for the new companies and bond issues listed over the past year. **Revenues from data vending** followed a slight upward path. **Fees from participants** increased as Ipopema, one of the leading Polish brokerage houses, also became a member of the Bucharest Stock Exchange.

During the analyzed period, BVB registered revenues from the in-house development of upgrades to Arena trading system and of other projects that would generate new intangible assets (software) worth of RON 0.4 mn.

Operating revenues for 3Q 2014 thus reached RON 6.19 mn, lower by 26.8% compared to 2Q 2014 and 29.0% above the figure registered in the year-ago period.



* The trading value includes Deal trades and public offers

On the cost side, **operating expenses** reached RON 3.24 mn, one of the lowest levels of the past 2 years, as a result of the cost cutting measures initiated last year and continued in 2014. Operating expenses were down by 14.1% q-o-q, mainly due to lower marketing and promotion costs, expenses related to organizing events and BVB's annual shareholders' meeting, lower third party services costs. On the other hand, depreciation charges increased given the investments made mainly in IT, in the context of the significant infrastructure projects undertaken by BVB.

Compared to 3Q 2013, when non-recurring restructuring costs were registered, operating costs are lower by 13.5%. Reduced third party services costs also contributed to the decline.

Given the trends in revenues and expenses described above, the **operating profit** reached RON 2.94 mn, almost 3 times higher compared to the year-ago period, but down by 37.1% q-o-q.

The **financial profit** reached RON 1.45 mn, showing strong growth rates in both q-o-q and y-o-y terms. After several quarters when adverse changes of RON/EUR and RON/USD rates resulted in revaluation differences and affected the financial result, the sharp depreciation of the local currency against the USD resulted in significant unrealized foreign exchange gains of RON 0.88 mn. BVB registered higher dividends from BVB's portfolio of shares, as well as the amortization of costs related to the acquisition of government securities.

BVB ended the third quarter of the year with a **net profit** of RON 3.69 mn, translating into **net earnings per share** of RON 0.48, 3 times above the year-ago figure and 13.2% below 2Q 2014.

Activity results for the first 9 months of 2014

The first 9 months of 2014 ended with **sales revenues** of RON 18.88 mn, advancing by 38.5% compared to the prior-year period. Pro-development measures taken so far and the efforts made to pin the local market on investors' map have already showed results, visible in turnover values. Moreover, the privatization of Electrica via the stock exchange became the largest IPO ever at BVB (EUR 444 mn) and was also among the largest IPOs in Europe during the year, according to the *IPO Watch Europe* report issued by PwC.

Trading values including public offers increased by 56% y-o-y for the first 3 quarters of the year, to RON 10.3 bn, while the figure without public offers went up by 40% to approximately RON 8 bn. The average daily turnover for the regulated market excluding public offers remained well above the year-ago level, at RON 41.05 mn (EUR 9.24 mn), up more than 41% y-o-y.

In addition to **trading revenues**, which clearly benefited from the above-mentioned developments and marked a 43% y-o-y increase to RON 16.45 mn, all the other categories of revenues registered increases compared to the previous year. The new system of admission and maintenance fees for structured products, the registration of fees for the new companies and bonds listed over the past 12 months, the addition of a new brokerage house as participant at BVB, higher demand for data services and revenues from in-house developed Arena upgrades and other IT projects were all factors that influenced operating performance.

All translated into **operating revenues** of RON 19.39 mn, up by 41% compared to the year-ago period.

Operating expenses increased by 4.0% compared to the reported figure for the first 9 months of 2013, to RON 10.56 mn. The year-ago period includes however a non-recurring reversal of provision for the land (revenue of RON 1.02 mn) which if excluded would make the above-mentioned 4.0% increase turn into a 5% y-o-y decline.

| Profit and loss account (RON mn) | 9M.2014 | 9M.2013 | Change 9M.2014 vs 9M.2013 |
|--------------------------------------|---------|---------|------------------------------|
| Operating revenues, of which: | 19.39 | 13.75 | 41.0% |
| - sales revenues | 18.88 | 13.63 | 38.5% |
| Operating expenses, of which: | 10.56 | 10.15 | 4.0% |
| - Personnel expenses | 5.16 | 5.84 | -11.7% |
| Operating profit | 8.83 | 3.60 | 145.3% |
| Financial profit | 2.27 | 2.61 | -12.8% |
| Pre-tax profit | 11.10 | 6.21 | 78.8% |
| Net profit | 9.33 | 5.46 | 70.9% |
| Earnings per share (RON) | 1.22 | 0.71 | 70.9% |

Personnel costs declined by 11.7% y-o-y to RON 5.15 mn, as a result of the internal reorganization program that took place last year. Third-party expenses registered a 3.6% increase to RON 4.96 mn, given the higher costs with marketing & promotion, costs with organizing events and educational campaigns.

The resulting **operating result** was RON 8.83 mn at the end of the first 9 months of the year, 145% above the figure reported for the year-ago period.

The **financial result** declined by 12.8% y-o-y to RON 2.27 mn. Dividends from subsidiaries (i.e. the Central Depository) were zero during the analyzed period versus RON 0.36 mn during the first nine months of 2013, while interest earned for investments went 5% below the figure registered in the similar period of last year, to RON 2.02 mn. The depreciation of foreign currencies over the past months resulted in net revenues of RON 0.48 mn related to the revaluation of foreign currency-denominated investments, versus the net cost of RON 0.06 mn registered in the year-ago period. The amortization of costs related to the acquisition of government securities was 263 thousand RON for the first 9 months of 2014.

The **net profit** increased sharply by 70.9% year-on-year to RON 9.33 mn over the first 9 months of the year. The net margin for the analyzed period was 49.4%.

Financial position as of September 30, 2014

Net assets

At the end of September 2014, BVB's **total assets** were RON 103.84 mn, flattish compared to the figure reported at the beginning of the year. Out of this amount, non-current assets reached RON 71.86 mn and current assets of RON 31.80 mn.

Non-current assets increased by 16.8% (or RON 10.34 mn) since the beginning of the year. The net value of intangible assets increased to RON 0.73 mn, mostly determined by the development of new IT projects. Non-current financial assets reached RON 66.42 mn, up from RON 56.91 mn on January 1, following further acquisitions of long-term government bonds in local currency and EUR.

Current assets were RON 31.80 mn at the end of the reporting period, down 25.5% since the beginning of the year, as BVB gradually replaced investments in longer-term government bonds with shorter term deposits with a view to accessing higher interest rates. **Cash and short term investments** reached a total of RON 26.60 mn versus 37.45 mn at the beginning of the year. The decline in cash and investments was partly determined by the payment of RON 8.4 mn worth of dividends to BVB's shareholders, a procedure that had started in June 2014.

| Assets (RON mn) | 30.09.2014 | 01.01.2014 | Equity & Liabilities (RON mn) | 30.09.2014 | 01.01.2014 |
|--|---------------|---------------|--|---------------|---------------|
| Non-current assets | 71.86 | 61.52 | Shareholders' equity | 98.11 | 97.82 |
| Current assets – total, of which: | 31.80 | 42.70 | Payables, all due in less than 1 year | 5.04 | 5.54 |
| - cash, bank accounts and other short term financial investments | 26.60 | 37.45 | | | |
| Prepaid expenses | 0.18 | 0.18 | Provisions | 0.07 | 0.37 |
| | | | Deferred revenues | 0.62 | 0.66 |
| Total assets | 103.84 | 104.39 | Total equity & liabilities | 103.84 | 104.39 |

BVB's **debt** at the end of September 2014, due in less than 1 year, amounted to RON 5.04 mn, 9.0% lower compared to the beginning of the year. The amount included liabilities to BVB's shareholders' (dividends payable), liabilities to the company's employees, to the state budget and the social security budget, not due at the end of the analyzed period.

Shareholders' equity increased slightly to RON 98.11 mn, as a combined effect of the registration of the net profit accumulated so far in the year and the transfer of the retained profit to dividends payable (short-term debt) based on the shareholders' resolutions.

EXPECTATIONS FOR THE LAST QUARTER OF 2014

The final quarter of the year is expected to bring further developments for the local capital market, some already producing effects at the time of writing this report. The separation of trading and post-trading systems and the newly implemented 2-day timeframe for the settlement of trades were successful endeavors that would bring the Romanian capital market closer to its stated goal of accessing the Emerging markets category. The segregation of the two systems would also bring along other advantages, including the higher efficiency of trades, better risk management for BVB member Participants, significantly reduced order round-trip times and increased flexibility of allocations in post-trading.

One of the measures most awaited by the investor community, the reduction of trading fees, also came into effect as of October 1. With similar fee-cutting measures implemented by FSA, trading activity is expected to be revitalized as investors would take advantage of the lower costs.

Liquidity should also be supported by the new facilities implemented also on October 1 to the already existing market making program. In addition, the Issuer's market maker project is in preparation – at present BVB is identifying companies and participants willing to enter the program.

The final quarter of the year will bring further developments in the area of market transparency and liquidity. As per the new provisions included in the *BVB Rulebook*, issuers will be encouraged to submit current reports as soon as possible and even during the trading session. In addition, an issuer's financial instruments will not be suspended from trading anymore during the issuer's General Shareholders Meeting. Market liquidity will thus be supported by a continuous flow of information, which would also increase investors' awareness and involvement in the market.

At a further date, a new market segmentation will apply, also stipulated in *BVB Rulebook* and endorsed by the FSA. The regulated market will be restructured by replacing the tiers 1, 2 and 3 for shares with Premium and Standard tiers, each new category coming with new requirements which will ease investors' apprehension of the investment opportunities available.

A number of new provisions refer to the new corporate governance framework with which issuers will be encouraged to comply. The aim is for investors to have an accurate and up-to-date picture of the corporate governance status of listed companies, key for building confidence and trust.

BVB's projects for the near future also involve the new market AeRO, designed for small & medium-sized companies looking for efficient financing opportunities, which is scheduled to be launched soon.

The recently approved law regarding the status of companies listed on Nasdaq market will most probably translate into increased activity later in 2015, as companies will have to choose from listing on BVB regulated market, the alternative trading system and delisting. BVB will thus gain from adding new issuers to its markets, enhancing its offer of financial instruments available for trading.

The results of the final quarter will be influenced, similarly to the previous year, by the registration of higher operating expenses in correlation with the performance. BVB will intensify its efforts to promote the Romanian capital market, its accomplishments and structural reform to both local and international investor communities.

ANNEXES

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| • Main financial indicators as of September 30, 2014..... | 20 |

Assets, liabilities and equity statement

All amounts are indicated in RON, unless otherwise stated

| Indicator | Row | Balance as at | |
|--|-----------|-------------------|-------------------|
| | | 30.09.2014 | 01.01.2014 |
| A. NON-CURRENT ASSETS | | | |
| Intangible assets | | | |
| 3. Licenses, other intangible assets (acc. 205+208-2805-2808-2905-2908) | 3 | 389,069 | 70,245 |
| 5. Advance payments and intangible non-current assets in progress (acc. 233+234-2933) | 5 | <u>341,044</u> | <u>0</u> |
| Total intangible assets (row 01 to 05) | 6 | 730,113 | 70,245 |
| Tangible assets | | | |
| 1. Land and constructions (acc. 211+212-2811-2812-2911-2912) | 7 | 3,344,100 | 3,344,100 |
| 2. Equipment and machinery (acc. 214-2814-2914) | 8 | 916,062 | 808,041 |
| 3. Other equipment and furniture (acc. 214-2814-2914) | 9 | 445,773 | 388,840 |
| 4. Advance payments and tangible assets in progress (acc. 231+232-2931) | 10 | <u>0</u> | <u>0</u> |
| Total tangible assets (row 07 la 10) | 11 | 4,705,935 | 4,540,981 |
| Financial assets | | | |
| 1. Shares held in subsidiaries (acc. 261-2961) | 12 | 26,231,326 | 26,231,326 |
| 5. Investments held as financial assets (acc. 262+264+265+266-2696-2962-2964) | 16 | 1,339,921 | 1,358,109 |
| 6. Other receivables (acc. 2673+2674+2678+2679-2966-2969) | 17 | 38,851,375 | 29,315,934 |
| Total financial assets (rows 12 to 17) | 18 | <u>66,422,622</u> | <u>56,905,369</u> |
| TOTAL NON-CURRENT ASSETS (rows 06+11+18) | 19 | 71,858,670 | 61,516,595 |
| B. CURRENT ASSETS | | | |
| Inventories | | | |
| 3. Advance payments for purchases of inventories (acc. 4091) | 22 | <u>108</u> | <u>0</u> |
| Total inventories (row 20 la 22) | 23 | 108 | 0 |
| Receivables | | | |
| 1. Trade receivables (acc. 2675*+2676*+2678*+2679*-2966*-2969*+4092+411+413+418-491) | 24 | 2,701,963 | 2,433,141 |
| 2. Receivables from affiliates (acc. 4511+4518-4951) | 25 | 0 | 0 |
| 4. Other receivables (acc. 425+4282+431+437+4382+441+4424+4428+444+445+446+447+4482+4582+461+473-496+5187) | 27 | <u>2,500,963</u> | <u>2,812,685</u> |
| Total receivables (row 24 to 28) | 29 | 5,202,926 | 5,245,826 |
| Short term financial investments | | | |
| 2. Other short term financial investments (acc. 5031+5032+505+5061+5062+5071+5072+5081+5082+...+5113+5114) | 31 | <u>25,201,587</u> | <u>35,119,284</u> |
| Total short term financial investments (rows 30 to 31) | 32 | 25,201,587 | 35,119,284 |
| IV. Cash and bank accounts (acc. 5112+5121+5122+5123+5124+5125+5311+5314+5321+5322+5323+...+542) | 33 | <u>1,399,592</u> | <u>2,331,872</u> |
| TOTAL CURRENT ASSETS (rows 23+29+32+33) | 34 | 31,804,213 | 42,696,982 |
| C. PREPAID EXPENSES (acc. 471) | 35 | 176,016 | 175,058 |
| D. PAYABLES WITHIN ONE YEAR | | | |
| 3. Advance payments from clients (acc. 419) | 38 | 103,304 | 107,570 |
| 4. Trade payables (acc. 401+404+408) | 39 | 526,789 | 667,357 |

| Indicator | Row | Balance as at | |
|---|-----------|-------------------|-------------------|
| | | 30.09.2014 | 01.01.2014 |
| 8. Other payables, including tax and social security payables (acc. 1623+1626+167+1687+2698+421+423+424+...+5197) | 43 | 4,411,248 | 4,764,777 |
| Total payables within one year (rows 36 to 43) | 44 | 5,041,341 | 5,539,704 |
| E. NET CURRENT ASSETS OR NET CURRENT LIABILITIES (rows 34+35-44-60.2) | 45 | 26,318,011 | 36,670,241 |
| F. TOTAL ASSETS LESS CURRENT LIABILITIES (rows 19+45-60.1) | 46 | 98,176,681 | 98,186,836 |
| G. PAYABLES WITHIN MORE THAN ONE YEAR | | | |
| 8. Other payables, including tax and social security payables | 54 | 0 | 0 |
| Total payables within more than 1 year (row 47 to 54) | 55 | 0 | 0 |
| H. PROVISIONS | | | |
| 1. Pension and other similar provisions (acc. 1515) | 56 | 67,366 | 269,506 |
| 2. Other provisions (acc. 1511+1512+1513+1514+1518) | 58 | 0 | 100,000 |
| TOTAL PROVISIONS (rows 56+57+58) | 59 | 67,366 | 369,506 |
| I. DEFERRED REVENUE (row 60.1+60.2+60.3) | 60 | 620,877 | 662,095 |
| 2. Deferred revenue | 60.2 | 620,877 | 662,095 |
| J. SHARE CAPITAL AND RESERVES | | | |
| Capital (rows 62+63), of which: | 61 | 76,741,980 | 76,741,980 |
| - paid-in subscribed capital (acc. 1012) | 63 | 76,741,980 | 76,741,980 |
| Share premium (acc. 104) | 64 | 8 | 8 |
| Revaluation reserves (acc. 105) | | | |
| - Credit balance | 65 | 2,325,080 | 2,325,080 |
| - Debit balance | 66 | 0 | 0 |
| Reserves (rows 68 to 73-74) | 67 | 9,712,308 | 9,712,158 |
| 1. Legal reserves (acc. 1061) | 68 | 5,800,353 | 5,800,353 |
| 2. Reserves for bonus shares received (acc. 1065*) | 70 | 2,413,197 | 2,413,197 |
| 3. Reserves representing the surplus from reevaluation reserves (acc. 1067) | 72 | 57,109 | 57,109 |
| 4. Other reserves (acc. 1068) | 73 | 1,441,649 | 1,441,499 |
| Retained earnings | | | |
| Profit – Credit balance | 77 | 0 | 0 |
| Loss – Debit balance | 78 | 0 | 0 |
| Result for the year | | | |
| Profit (acc. 121) – Credit balance | 79 | 9,329,939 | 9,484,404 |
| Loss (acc. 121) – Debit balance | 80 | 0 | 0 |
| Profit distribution (acc. 129) | 81 | 0 | 446,300 |
| TOTAL SHAREHOLDERS' EQUITY (row 61+64+65-66+67+75-76+77-78-79) | 82 | 98,109,315 | 97,817,330 |

Profit and loss account

All amounts are indicated in RON, unless otherwise stated

| Indicator | Row | 3Q | | 9M | |
|---|-----------|------------------|------------------|-------------------|-------------------|
| | | 01.07.2014 | 01.07.2013 | 01.01.2014 | 01.01.2013 |
| | | 30.09.2014 | 30.09.2013 | 30.09.2014 | 30.09.2013 |
| 1. Sales revenues | 1 | 5,790,427 | 4,736,451 | 18,884,403 | 13,633,815 |
| 3. Production made by the entity for its own use and capitalized | 6 | 386,573 | 0 | 386,573 | 0 |
| 4. Other operating revenues (acc. 7417+758) | 7 | 9,167 | 59,356 | 120,029 | 117,357 |
| Operating revenues – TOTAL (rows 01+04-05+06+07) | 8 | 6,186,167 | 4,795,807 | 19,391,005 | 13,751,172 |
| 5. Material expenses and other third party expenses (rows 10 to 12) | 9 | 66,453 | 76,958 | 217,584 | 229,615 |
| Consumable materials expenses (acc. 602-7412) | 10 | 26,560 | 22,556 | 74,706 | 74,755 |
| Other material expenses (acc. 603+604) | 11 | 5,114 | 18,059 | 33,581 | 29,831 |
| Other third party expenses (water and energy) (acc. 605-7413) | 12 | 34,779 | 36,343 | 109,297 | 125,029 |
| 6. Personnel expenses (rows 14+15) | 13 | 1,753,486 | 2,226,727 | 5,158,975 | 5,842,432 |
| - Base personnel salaries (acc. 641+642-7414) | 14 | 1,398,000 | 1,751,827 | 4,055,032 | 4,507,271 |
| - Social security contributions (acc. 645-7415) | 15 | 355,486 | 474,900 | 1,103,943 | 1,335,161 |
| 7a. Adjustments of tangible and intangible assets (rows 17-18) | 16 | 190,755 | 175,853 | 523,372 | -507,835 |
| a.1) Expenses (acc. 6811+6813) | 17 | 190,755 | 175,853 | 523,372 | 511,185 |
| a. 2) Revenues (acc. 7813+7815) | 18 | 0 | 0 | 0 | 1,019,020 |
| 7b. Adjustments of current assets (rows 20-21) | 19 | 0 | -10,037 | 0 | -1,619 |
| b.1) Expenses (acc. 654+6814) | 20 | 0 | 0 | 0 | 8,418 |
| b.2) Revenues (acc. 754+7814) | 21 | 0 | 10,037 | 0 | 10,037 |
| 8. Other operating expenses (rows 23 to 25) | 22 | 1,298,483 | 1,346,298 | 4,964,692 | 4,792,434 |
| a) Third party expenses (acc. 611+612+613+614+621+622+623+624+625+626+627+628-7416) | 23 | 1,035,380 | 1,157,190 | 4,076,892 | 3,951,896 |
| b) Other taxes, duties and similar expenses (acc. 635) | 24 | 263,101 | 184,292 | 865,839 | 834,590 |
| c) Compensation expenses, donations and disposed assets (acc. 658) | 25 | 2 | 4,816 | 21,961 | 5,948 |
| d) Adjustments for provisions (rows 27-28) | 26 | -67,380 | -66,000 | -302,140 | -203,272 |
| d.1) Expenses (acc. 6812) | 27 | 0 | 0 | 0 | 0 |
| d.2) Revenues (acc. 7812) | 28 | 67,380 | 66,000 | 302,140 | 203,272 |
| Operating expenses – TOTAL (row 09+13+16+19+22+26) | 29 | 3,241,797 | 3,749,799 | 10,562,483 | 10,151,755 |
| Operating result | | | | | |
| - Profit (rows 08-29) | 30 | 2,944,370 | 1,046,008 | 8,828,522 | 3,599,417 |
| - Loss (rows 29-08) | 31 | 0 | 0 | 0 | 0 |
| Financial revenues | | | | | |
| 9. Revenues from investments in associates (acc. 7613) | 32 | 0 | 0 | 0 | 0 |
| 10. Revenues from other financial investments (acc. 7611+7612) | 34 | 40,480 | 9,307 | 52,153 | 378,667 |
| - of which revenues from affiliates (acc. 7611) | 35 | 0 | 0 | 0 | 355,445 |
| 11. Interest earned (acc. 766) | 36 | 642,430 | 624,141 | 2,021,319 | 2,128,302 |
| 12. Other financial revenues (acc. 7616+7617+762+763+764+765+767+768) | 38 | 879,189 | 356,332 | 1,232,801 | 1,988,020 |

| Indicator | Row | 3Q | | 9M | |
|--|-----------|------------------|------------------|-------------------|-------------------|
| | | 01.07.2014 | 01.07.2013 | 01.01.2014 | 01.01.2013 |
| | | 30.09.2014 | 30.09.2013 | 30.09.2014 | 30.09.2013 |
| Financial revenues – TOTAL (rows 32+34+36+38) | 39 | 1,562,099 | 989,780 | 3,306,273 | 4,494,989 |
| 12. Adjustments of financial assets and of financial investments classified as current assets (row 41-42) | 40 | <u>108,494</u> | <u>-43,131</u> | <u>281,937</u> | <u>-162,123</u> |
| Expenses (acc. 686) | 41 | 145,951 | 12,039 | 393,220 | 47,377 |
| Revenues (acc. 786) | 42 | 37,457 | 55,170 | 111,283 | 209,500 |
| 13. Other financial expenses (acc. 663+664+665+667+668) | 45 | <u>3,908</u> | <u>643,701</u> | <u>750,146</u> | <u>2,047,705</u> |
| Financial expenses - TOTAL (row 40+43+45) | 46 | 112,402 | 600,570 | 1,032,083 | 1,885,582 |
| Financial result | | | | | |
| - Profit (row 39-46) | 47 | 1,449,697 | 389,210 | 2,274,190 | 2,609,407 |
| - Loss (row 46-39) | 48 | 0 | 0 | 0 | 0 |
| 14. Current result | | | | | |
| - Profit (row 08+39-29-46) | 49 | 4,394,067 | 1,435,218 | 11,102,712 | 6,208,824 |
| - Loss (row 29+46-08-39) | 50 | 0 | 0 | 0 | 0 |
| Total revenues (row 08+39+51) | 55 | 7,748,266 | 5,785,587 | 22,697,278 | 18,246,161 |
| Total expenses (row 29+46+52) | 56 | 3,354,199 | 4,350,369 | 11,594,566 | 12,037,337 |
| Pre-tax result | | | | | |
| - Profit (row 55-56) | 57 | 4,394,067 | 1,435,218 | 11,102,712 | 6,208,824 |
| - Loss (row 56-55) | 58 | 0 | 0 | 0 | 0 |
| 18. Income tax expenses | 59 | <u>700,110</u> | <u>212,330</u> | <u>1,772,773</u> | <u>749,056</u> |
| Result for the year | | | | | |
| - Profit (row 57-59-60) | 61 | 3,693,957 | 1,222,888 | 9,329,939 | 5,459,768 |
| - Loss (row 58+59+60) or (row 59+60-57) | 62 | 0 | 0 | 0 | 0 |

LUDWIK LESZEK SOBOLEWSKI
General Manager

Main financial indicators as of September 30, 2014

| | Indicator | Calculation formula | Value |
|--------------------------|------------------------------|--|-----------------------|
| Liquidity indicators | Current ratio | Current assets / Current liabilities | 6.31 times |
| | Acid test ratio | (Current assets - Inventories) / Current liabilities | 6.31 times |
| | Debt-to-equity ratio | (Borrowed capital / Equity)*100 | BVB has no borrowings |
| Activity indicators | Accounts receivable turnover | (Average receivables balance / turnover)*273 days | 36.1 days |
| | Accounts payable turnover | (Average supplier balance / turnover)*273 days | 5.7 days |
| | Non-current asset turnover | Net sales / Non-current assets | 0.26 times |
| | Asset turnover | Net sales / Total assets | 0.18 times |
| | Financial leverage | Total liabilities / Shareholders' equity | 0.05 times |
| Profitability indicators | Operating margin | Operating profit / Net sales*100 | 46.8% |
| | EBITDA margin | EBITDA / Net sales*100 | 49.5% |
| | Net margin | Net profit / Net sales*100 | 49.4% |
| | Return on equity (ROE) | Net profit / Shareholders' equity*100 | 9.5% |
| | Return on assets (ROA) | Net profit / Total assets*100 | 9.0% |
| Market indicators | Earnings per share | Net profit / No. of shares | RON 1.22 |
| | Market capitalization | Market price * No. of shares | RON 232,528,199 |
| | Book value per share | Shareholder's equity / No. of shares | RON 12.78/share |

LUDWIK LESZEK SOBOLEWSKI
General Manager

Contact

Investor relations

Tel: (+40)(21) 307 95 00

Fax: (+40)(21) 307 95 19

E-mail: ir@bvb.ro

BVB live and recorded earnings conference calls can be found at the following link <http://bvb.ro/investors/>

The following financial report will be released in 2015.