WP Holding SA

Financial report
for 3 and 9 months ended
30 September 2015

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MANAGEMENT DISCUSSION AND ANALYSIS FOR 9 MONTHS OF 2015

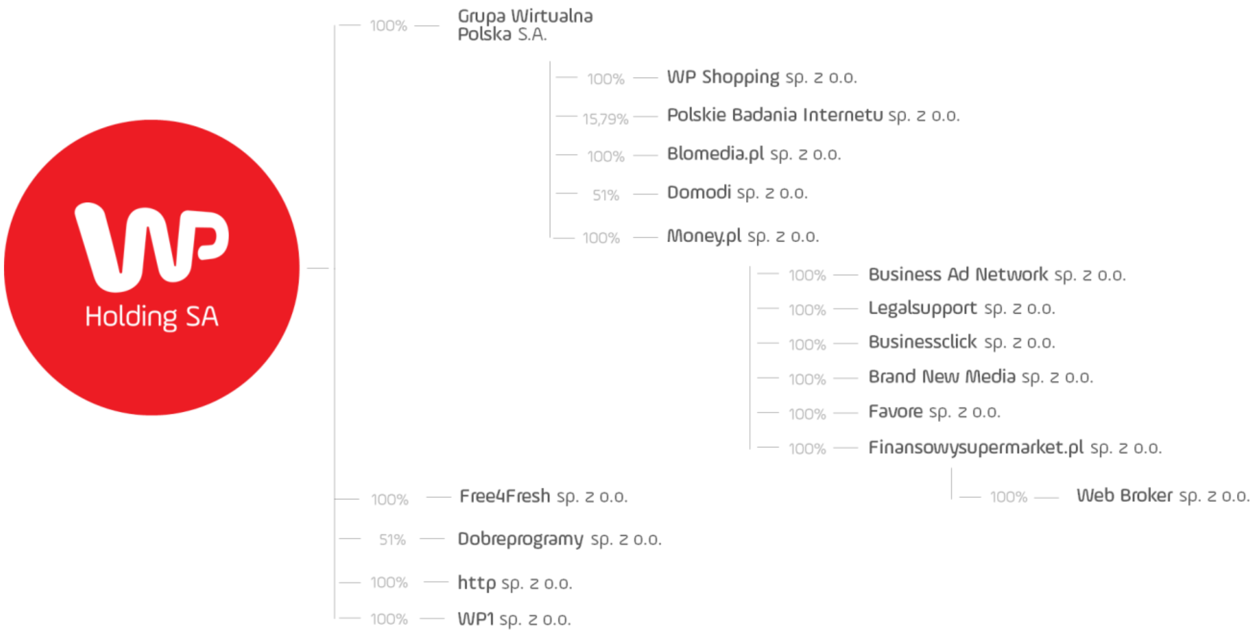
OPERATIONS OF THE WIRTUALNA POLSKA HOLDING GROUP

The scope of the Group's operations

The Group's mission is to be partner of first choice for the Polish people, providing opinion-forming information, entertainment and services, and inspiration in daily decisions. The Group accomplishes its mission by providing attractive content and services to the portal users, tailored to their needs and profile. The Group owns one of the two most popular horizontal internet portals in Poland, Wirtualna Polska. The Group also operates the o2 horizontal portal and numerous specialist vertical portals: including in particular business portals: Money.pl and Biztok; new technology portals – e.g. Dobreprogramy; sports portals, e.g. Sportowe Fakty, entertainment portals, e.g. Pudelek, health and parenting portals – abcZdrowie and Parenting.pl, as well as Internet radio stations – OpenFM and PolskaStacja. Moreover, the Group conducts advertising activities comprising lead generation for internet shops, mainly within portals aggregating internet shop offers (marketplace): Domodi and Allani for fashion; Homebook in the house and interiors category; Money.pl and Finansowysupermarket.pl for financial services. The Group's lead generation activity on the e-commerce market enables the Group to avail itself of the fast growth of e-commerce in Poland. Moreover, Grupa Money acquired in December 2014 has developed website services and has tools in place, enabling the buying and selling of financial products and services online, and saving, or managing private budgets.
In accordance with the data of Megapanel PBI/Gemius as of September 2015, the Group was the leader among Internet portals in all basic indicators: in terms of reach (73%), in terms of the number of real users (18 million users), in terms of hits (3.7 billion hits) and the average time spent on the portal per user (5 hours and 40 minutes per month).
In accordance with the Group's internal data, in the period from 1 to 30 September 2015, the average daily number of unique users visiting the portals owned by the Group was 8.2 million (source: gemiusTraffic, September 2015).
Additionally, also according to the data of Megapanel PBI/Gemius from September 2015, the Group is ranked first in Poland in the thematic categories of "Business, Finance and Law", "Communication", "New Technologies" and "Lifestyle".
The Group offers free electronic mail to its users. The Group has the largest base of electronic mail users in Poland, which according to the Megapanel PBI/Gemius research amounted to 8.9 million real users as of September 2015 (however, it should be noted that the Megapanel PBI/Gemius data relate only to access through the website; according to the Group's internal data as of September 2015, the Group had 10.5 million active e-mail accounts, including 7 million active WP e-mail accounts and 3.5 million active o2 e-mail accounts), whereas Google had 6.3 million real users and the Onet-RASP Group had 4.6 million real users.
The Group conducts operations on the Polish market of online advertising, offering a wide range of advertising products to its clients – modern display ads, including online video ads, ads sent by e-mail, ads for mobile devices and ads based on the effectiveness model (i.e. settled based on the number of people accessing a website, filling in a form, registering, purchasing goods or services) (lead generation, performance marketing). Thanks to the high popularity of the Group's websites and services, the Group is able to reach a wide range of users with its advertising message.

Structure of the Wirtualna Polska Holding SA Group

The diagram on the next page presents the structure of the Group as at 30 September 2015, including the percentage of voting rights at a General Shareholders' Meeting to which the shareholder is entitled.



On March 18, 2015 the Group sold its shares in Kupbon SA which represented 6% of the total number of shares in the said company. On 8 April 2015 the Group sold a minority stake in Szopuje Sp. z o.o. Also on June 15, 2015 Money.pl Sp. z o.o, sold 100% of its stake in Interaktywnie.com Sp. z o.o. None of these transactions had a material impact on the operation of the Group as a whole. On 21 August 2015 the company WP1 Sp. z o.o. was created and registered with 100% of share capital owned by Wirtualna Polska Holding SA.

On June 3, 2015 the Group bought 100% of shares in NextWeb Media Sp. z o.o., which holds 100% of shares in Blomedia Sp. z o.o. On 31 August 2015, the merger of NextWeb Media Sp. z o.o. oraz Grupa Wirtualna Polska Sp. z o.o. (currently Grupa Wirtualna Polska SA) was registered in the National Court Register. The merger of Grupa Wirtualna Polska Sp. z o.o. and NextWeb Media Sp. z o.o. was pursuant to article 492 section 1 item 1 of the Polish Commercial Companies Code, by transferring all assets of NextWeb Media Sp. z o.o. to Grupa Wirtualna Polska Sp. z o.o. (merger by acquisition).

Moreover, a significant change in the Group's structure took place on 16 September 2015, when Money.pl Sp. z o.o. bought 100% shares in Finansowysupermarket.pl Sp. z o.o. which holds 100% of shares in Web Broker Sp. z o.o.

After the third quarter but before the date of this report:

- on 6 October 2015 Domodi Sp. z o.o. purchased 100% of shares in Allani Sp. z o.o. Financial results of Allani will be consolidated from the fourth quarter of 2015.
- On 13 October 2015, the company Grupa Wirtualna Polska Sp. z o.o. was transformed into a join-stock company pursuant to article 551 et seq. of the Polish Commercial Companies Code;
- On 30 October 2015, companies http Sp. z o.o. and Free4Fresh Sp. z o.o merged pursuant to article 492 section 1 item 1 of the Polish Commercial Companies Code, by transferring all assets of Free4Fresh Sp. z o.o. to http Sp. z o.o.

In addition to the events described above, there were no other changes in the Group's capital structure.

Discussion of operating results and financial position

Financial data for the three and nine month periods ended 30 September 2015 and 30 September 2014 was not audited. Information presented in the following table should be read in conjunction with the information included in the condensed consolidated financial statements.

RESULTS OF OPERATIONS (CONSOLIDATED DATA)

Selected financial data from consolidated income statement

The following table presents main positions of income statement for the first nine months of 2015 and 2014

(in PLN'000)	Nine months ended 30 September 2015	Nine months ended 30 September 2014	Change	Percentage change
Sales	223 520	131 605	91 915	69,8%
Cash sales	196 617	114 626	81 991	71,5%
Operating profit	41 009	13 560	27 449	202,4%
Profit before tax	12 526	1 215	11 311	930,9%
Net profit	6 335	832	5 503	661,4%
EBITDA	63 019	28 163	34 856	123,8%
Adjusted EBITDA	74 434	52 875	21 559	40,8%
EBITDA for the last 12 months	79 485	-	-	-
Adjusted EBITDA for the last 12 months	99 149	-	-	-

The following table presents main positions of income statement for the third quarter of 2015 and 2014

(in PLN'000)	Three months ended 30 September 2015	Three months ended 30 September 2014	Change	Percentage change
Sales	78 246	52 337	25 909	49,5%
Cash sales	68 613	45 267	23 346	51,6%
Operating profit	13 938	5 949	7 989	134,3%
Profit before tax	(924)	1 254	-2 178	-
Net profit	(3 265)	770	-4 035	-
EBITDA	21 463	12 046	9 417	78,2%
Adjusted EBITDA	25 114	22 193	2 921	13,2%
EBITDA for the last 12 months	79 485	-	-	-
Adjusted EBITDA for the last 12 months	99 149	-	-	-

The consolidated results of the Group for the nine months of 2015 and 2014 comprise the results of the following subsidiaries:

No.	Name of the subsidiary	Date of taking over control	% of shares	Period covered by consolidation 30 September 2015	30 September 2014
1	Grupa Wirtualna Polska Sp. z o.o. (now S.A.)	22 December 2010	100%	full period	full period
2	WP Shopping Sp. z o.o. (Wirtualna Polska S.A.)	13 February 2014	100%	full period	from 13th February 2014
3	Http Sp. z o.o.	23 March 2009	100%	full period	full period
4	Free4Fresh Sp. z o.o.	27 April 2009	100%	full period	full period
5	Money.pl Sp. z o.o.	1 December 2014	100%	full period	not consolidated
6	Business Ad Network sp. z o.o.	1 December 2014	100%	full period	not consolidated
7	Businessclick Sp. z o.o.	1 December 2014	100%	full period	not consolidated
8	Favore Sp. z o.o.	1 December 2014	100%	full period	not consolidated
9	Legalsupport Sp. z o.o.	1 December 2014	100%	full period	not consolidated
10	Interaktywnie Sp. z o.o.	1 December 2014	100%	to June 2015	not consolidated
11	Brand New Media Sp. z o.o.	1 December 2014	100%	full period	not consolidated
12	dobreprogramy Sp. z o.o.	14 November 2013	51%	full period	full period
13	DOMODI Sp. z o.o.	12 September 2014	51%	full period	from 12th September 2014
14	NextWeb Media Sp. z o.o.	3 June 2015	100%	from June to August 2015	not consolidated
15	Blomedia.pl Sp. z o.o.	3 June 2015	100%	to June 2015	not consolidated
16	WP1 Sp. z o.o.	21 August 2015	100%	from August 2015	not consolidated
17	Finansowysupermarket Sp. z o.o.	16 September 2015	100%	from September 2015	not consolidated
18	Web Broker Sp. z o.o.	16 September 2015	100%	from September 2015	not consolidated

Due to significant changes in the Group structure in 2014, the amounts of revenues and costs recognized in the financial statement for the period from 1 January to 30 September 2014 are not fully comparable with the amounts for the nine months of the current year. This is due to the fact that significant changes in the Group results were mostly caused by acquisitions performed by the Group in 2014, consisting of the acquisition of the company Wirtualna Polska S.A. (currently WP Shopping Sp. z o.o), the enterprise Sportowe Fakty, shares in Domodi Spółka z o.o. and the Money.pl Group.

Since the effect of acquisitions makes it significantly more difficult to compare the periods and analyze the Group's results, in order to improve the presentation of the changes that took place in the nine months and in the third quarter of 2015 and 2014, the Management Board decided to present in this Report also the pro forma financial results for the period from 1 January to 30 September 2014 and for the period from 1 July to 30 September 2014.

This data has been prepared in the same manner as the pro forma unaudited consolidated financial information for the whole year 2014 published in the Prospectus approved by the Polish Financial Supervision Authority.
Comparison of the operating results and financial position of the Group in the nine months of 2015 with the pro forma consolidated results for the corresponding period of the previous year:

(in PLN'000)	Nine months ended 30 September 2015	Nine months ended 30 September 2014 pro forma	Change	Percentage change
Sales	223 520	172 761	50 759	29,4%
Cash sales	196 617	152 377	44 240	29,0%
Cash sales excluding acquisitions in 2015 (for comparative purposes)	193 960	152 377	41 583	27,3%
Operating profit	41 009	12 467	28 542	228,9%
Profit before tax	12 526	(4 894)	17 420	-
Net profit	6 335	(4 658)	10 993	-
EBITDA	63 019	34 042	28 977	85,1%
Adjusted EBITDA	74 434	58 840	15 594	26,5%
EBITDA pro forma for the last 12 months	79 991			-
Adjusted EBITDA pro forma for the last 12 months	99 682			-

* Details on the calculation of pro forma financial data are described in the report *Notes to the consolidated pro forma financial information*
*** Revenues of 2015 adjusted by the impact of acquisitions made in the second and third quarters of 2015* (NextWeb Media Sp. z o.o., Blomedia Sp. z o.o., Finansowysupermarket.pl Sp. z o.o. and Web Broker Sp. z o.o.) not included in pro forma financial data for 2014

(in PLN'000)	Three months ended 30 September 2015	Three months ended 30 September 2014 pro forma	Change	Percentage change
Sales	78 246	60 875	17 371	28,5%
Cash sales	68 613	53 202	15 411	29,0%
Cash sales excluding acquisitions in 2015 (for comparative purposes)	66 415	53 202	13 213	24,8%
Operating profit	13 938	5 462	8 476	155,2%
Profit before tax	(924)	(487)	(437)	-
Net profit	(3 265)	(714)	(2 551)	-
EBITDA	21 463	12 348	9 115	73,8%
Adjusted EBITDA	25 114	22 574	2 540	11,3%
EBITDA pro forma for the last 12 months	79 991			
Adjusted EBITDA pro forma for the last 12 months	99 682			

The sales of services increased in the nine months of 2015 by 29.4% compared to the pro forma sales for the same period of the previous year, whereas the cash sales increased by 29.0%.

In the third quarter of 2015, the sales increased by 28.5% (compared with the pro forma sales for the same period of the previous year), whereas the cash sales increased by 29.0%.

Excluding from revenues for 2015 the impact of acquisitions made during three quarters results of which are not included in the comparative pro forma data, the increase in cash sales amounted to 27.3% over the whole period and 24.8% in third quarter. Detailed information on results achieved by entities included in the Group's consolidated financial statements is presented in section: Notes to the pro forma consolidated financial information.

In all periods analyzed transactions settled in cash represented the majority of the Group's sales and amounted to 88.0% of Group's sales in the nine months of 2015 and 88.2% in the same period of 2014.

The main ratios analyzed by the Management Board for the purposes of evaluation of the Group's financial results are EBITDA and adjusted EBITDA. The Group's EBITDA is calculated as operating profit plus amortization and depreciation, and adjusted EBITDA is calculated as EBITDA adjusted for one-off events such as: costs of transaction advice and initial public offering, restructuring costs, costs of the management option scheme, result on disposal of other financial assets, net result of settlement of barter transactions and revaluation and scrapping of non-current assets.

The Group's business model is characterized by high operating profitability of business activities. In the nine months of 2015, adjusted EBITDA amounted to PLN 74,434 thousand which was by PLN 15,594 thousand higher when compared with the pro forma value of this ratio in the nine months of the previous year.

In the period analyzed, the total costs normalizing EBITDA amounted to PLN 11.4 million and were by PLN 13.3 million lower than in the comparable period of prior year. During three quarters of 2015, costs included in the normalization resulted mainly from IPO (PLN 3.2 million), advisory services relating to acquisitions as well as restructuring and integration mainly with Money.pl Group, NextWeb Media Sp. z o.o. and Finansowysupermarket.pl Sp. z o.o. (total of PLN 3.3 million), from costs of legal advice in the process of refinancing (PLN 0.7 million) and from revaluation of contingent liabilities relating to acquisition (PLN 0.9 million). Other costs normalizing EBITDA resulted from civil law tax paid for the purchase of shares in NextWeb Media Sp. z o.o. and Finansowysupermarket.pl Sp. z o.o. (total of PLN 0.35 million), non-cash costs of the employee option scheme (PLN 1.05 million) as well as costs of revaluation, liquidation and sale of financial and non-financial assets with total impact on result of PLN 0.5 million.

Moreover, PLN 1.4 million represented an adjustment for the loss on barter transactions concluded in the analyzed period. Due to the equivalence of mutual benefits arising from barter transactions, such transactions are offset over a longer period, although temporarily a positive or a negative result might be recognized.
The Group settles part of the sales of advertising services as barter. The Group recognizes revenues from barter transactions consisting of the exchange of advertising services only if such services are different in nature, i.e. they are provided with the use of different carriers or broadcast in different media, and the amount of the revenue can be determined reliably. Revenues from barter transactions are recognized at the fair value of the service received or receivable in the month in which the advertisement is broadcast. If the fair value of the services received cannot be determined reliably, revenues are recognized at the fair value of the services provided, adjusted for cash flows (if any).

During nine months ended 30 September 2015, the significant cost recognized in the financial activities was the cost related to the increase in Group's liabilities with respect to put option for non-controlling interests in Domodi Sp. z o.o. Due to the fact that the financial results of Domodi sp. z o.o. for the current year exceeded significantly the originally expected values, the Management considered necessary to revise a long-term forecast for this company and consequently updated the valuation of the liability to purchase a minority stake of 49% shares in this entity in the Group's consolidated balance sheet. Since the commercial launch in 2012, Domodi.pl gained a leading position among Polish fashion marketplaces, and since the integration with the Group in September 2014 the company records a three digits growth in revenues and more than 80% increase in the number of users – from 1.1 million (09.2014) to 2.1 million (08.2015).
As a result of revision of liability in respect of purchase of non-controlling interests, in third quarter of current year, the Group recognized additional cost of PLN 11.5 million which was presented in the financial activities of consolidated income statement and other comprehensive income.

Notes to the pro forma consolidated financial information for 2014

Unaudited pro forma consolidated financial information presents hypothetical financial results of the Group as if the acquisitions of Wirtualna Polska SA, shares in Domodi Sp. z o.o. and the Money.pl Group were concluded as at the beginning of the period presented, i.e. on 1 January 2014.

The following table presents the estimated pro forma financial results of the Group for the period from 1 January to 30 September 2014, which are presented in the discussion of the Group's results of operations:

Pro forma consolidated data for the first half of 2014	The Group (1) 1 January - 30 September 2014	Wirtualna Polska (2) 1 January - 13 February 2014	Domodi (2) 1 January - 12 September 2014	The Money Group (2) 1 January - 30 September 2014	Pro forma adjustments (3)	The Group pro forma 1 January - 30 September 2014
Sales	131 605	16 121	5 131	19 904	-	172 761
including barter transactions	16 979	1 715	-	1 690	-	20 384
Amortization and depreciation	(14 603)	(3 093)	(22)	(595)	(3 262)	(21 575)
Materials and energy used	(2 723)	(377)	(64)	(179)		(3 343)
Costs relating to public offering, acquisitions of subsidiaries and restructuring, including:	(25 835)	-	-	-	-	(25 835)
External services	(16 146)	-	-	-	-	(16 146)
Salary and employee benefit expense	(6 613)	-	-	-	-	(6 613)
Other operating expenses	(3 075)	-	-	-	-	(3 075)
Costs of the employee option scheme	-	-	-	-	-	-
Other external expenses	(32 189)	(4 104)	(3 928)	(9 845)	-	(50 066)
Other salary and employee benefit expenses	(41 916)	(7 019)	(856)	(8 138)	-	(57 929)
Other operating profit/(loss)	(781)	(163)	(191)	(412)	-	(1 547)
Operating profit	13 559	1 365	70	735	(3 262)	12 467
Net finance income/(costs)	(12 344)	76	6	45	(5 144)	(17 361)
Profit before tax	1 215	1 441	76	780	(8 406)	(4 894)
Corporate income tax	(383)	(540)	-	(150)	1 309	236
Net profit	832	901	76	630	(7 097)	(4 658)

(1) The information has been compiled based on the Consolidated Financial Statements of Wirtualna Polska Holding SA

(2) The purpose of the adjustments is to recognize the effect of the acquisition of Wirtualna Polska SA, Domodi Spółka z o.o. and Money.pl Group, as though they have occurred at the beginning of the year, i.e. on 1 January 2014. In case of Money.pl Group the adjustment relates to the results of operations of the two most significant companies belonging to the Money.pl Group, i.e. Money.pl Spółka z o.o. and Business Ad Network Spółka z o.o., after the elimination of intercompany transactions for the period from 1 January 2014 until the acquisition date. The Money.pl Group did not prepare consolidated financial statements, therefore, for the purpose of this unaudited pro forma consolidated financial information, the data of the two most significant companies from the Money.pl Group has been prepared based on the unaudited financial information arising from their books of account. The effect of the remaining companies belonging to the Money.pl Group on the financial results of the Group has been assessed as immaterial.

(3) The purpose of the adjustment is to recognize the effect on the results of amortization and depreciation of the following items for the period from 1 January 2014 until the acquisition date: (i) assets taken over as a result of acquisition of Wirtualna Polska SA, Domodi Spółka z o.o and the Money.pl Group identified in the process of allocating the acquisition price; and (ii) additional depreciation and amortization arising from increasing the valuation of some property, plant and equipment items and intangible assets compared with their valuation recognized in the books of account of the acquired entities. Also the purpose of the adjustment is to recognize the result of external financing costs incurred by the Group as a result of acquisitions described above from 1 January until the acquisition date of each company.

The unaudited pro forma financial information presented above has been prepared for illustrative purposes only. By nature, this information presents a hypothetical situation, and therefore it does not reflect the actual results and financial position of the Group for the period presented.

The following table presents the calculation of EBITDA and adjusted EBITDA based on the pro forma consolidated financial information of the Group for the nine months of 2014:

Specification	The Group (1)	Wirtualna Polska (2)	Domodi (2)	The Money Group (2)	Pro forma adjustments (3)	The Group pro forma
EBITDA	**28 162**	**4 458**	**92**	**1 330**	**-**	**34 042**
total EBITDA adjustments	**24 714**	**90**	**-**	**(6)**	**-**	**24 798**
Costs relating to public offering, acquisitions of subsidiaries and restructuring	25 835			-		25 835
Profit/(loss) on disposal of other financial assets	(1 112)	-	-	-	-	(1 112)
Net result of the settlement of barter transactions	(24)	90		(6)		60
Revaluation and scrapping of non-financial assets	15			-		15
Adjusted EBITDA	**52 876**	**4 548**	**92**	**1 324**	**-**	**58 840**

The following table presents the calculation of gross profit and adjusted profit before tax based on the pro forma consolidated financial information of the Group for the nine months of 2014:

Specification	The Group (1)	Wirtualna Polska (2)	Domodi (2)	The Money Group (2)	Pro forma adjustments (3)	The Group pro forma
Profit before tax	**1 215**	**1 441**	**76**	**780**	**(8 406)**	**(4 894)**
Total profit before tax adjustments	29 426	90	-	(6)	-	29 510
Costs relating to public offering, acquisitions of subsidiaries and restructuring	25 835	-	-	-	-	25 835
Profit/(loss) on disposal of other financial assets	(1 112)	-	-	-	-	(1 112)
Net result of the settlement of barter transactions	(24)	90	-	(6)	-	60
Valuation of Interest Rate Swap	4 712	-	-	-	-	4 712
Revaluation and scrapping of non-financial assets	15	-	-	-	-	15
Adjusted gross profit	**30 641**	**1 531**	**76**	**774**	**(8 406)**	**24 616**

The following tables present the split of pro forma financial results, adjusted EBITDA and adjusted gross profit into quarters of financial year 2014.

Specification	Q1 2014	Q2 2014	Q3 2014	Q4 2014	For 12 months ended 31 December 2014
Sales	**52 902**	**58 983**	**60 876**	**75 543**	**248 304**
including barter transactions	5 480	7 232	7 673	11 470	31 855
Amortization and depreciation	(8 386)	(6 303)	(6 886)	(6 748)	(28 323)
Materials and energy used	(1 194)	(1 169)	(980)	(1 226)	(4 569)
Costs relating to public offering, acquisitions of subsidiaries and restructuring	(10 851)	(7 071)	(7 913)	(4 417)	(30 252)
External services	(9 863)	(999)	(5 284)	(3 168)	(19 314)
Salary and employee benefit expense	(822)	(3 779)	(2 012)	24	(6 589)
Other operating expenses	(166)	(2 293)	(616)	(1 274)	(4 349)
Costs of the employee option scheme	-	-	-	(1 954)	(1 954)
Other external services	(14 278)	(15 574)	(20 213)	(24 782)	(74 848)
Other salary and employee benefit expenses	(20 632)	(17 865)	(19 432)	(20 944)	(78 873)
Other operating expenses	(1 077)	(2 011)	(423)	(4 690)	(8 201)
Other operating income	72	346	434	(54)	798
Gain/loss on disposal of other financial assets	1 112	-	(0)	(503)	609
Operating profit	**(2 331)**	**9 336**	**5 462**	**10 224**	**22 691**
Finance income	182	72	43	220	517
Finance costs	(4 286)	(7 379)	(5 993)	(5 833)	(23 491)
Profit before income tax	**(6 435)**	**2 029**	**(488)**	**4 611**	**(283)**
Income tax	891	(427)	(228)	(1 984)	(1 748)
Net profit	**(5 544)**	**1 602**	**(716)**	**2 627**	**(2 031)**

(in PLN'000)	Q1 2014	Q2 2014	Q3 2014	Q4 2014	For 12 months ended 31 December 2014
EBITDA	**6 055**	**15 639**	**12 348**	**16 972**	**51 014**
sum of adjustments to EBITDA	**9 376**	**5 196**	**10 226**	**8 276**	**33 074**
Transaction advisory costs (costs related to public offering and acquisitions of subsidiaries)	10 851	7 071	7 913	4 417	30 252
Gain/loss on disposal of other financial assets	(1 112)	-	0	503	(609)
Net result on barter transaction settlement	(401)	(1 837)	2 298	676	736
Revaluation and scrapping of non-current assets	38	(38)	15	726	741
Costs of the employee option scheme				1 954	1 954
Adjusted EBITDA	**15 431**	**20 835**	**22 574**	**25 248**	**84 088**

(in PLN'000)	Q1 2014	Q2 2014	Q3 2014	Q4 2014	For 12 months ended 31 December 2014
Profit before income tax	**(6 435)**	**2 029**	**(488)**	**4 611**	**(283)**
sum of adjustments to profit before income tax	**9 376**	**8 304**	**11 830**	**9 218**	**38 728**
Costs relating to public offering, acquisitions of subsidiaries and restructuring	10 851	7 071	7 913	4 417	30 252
Gain/loss on disposal of other financial assets	(1 112)	-	0	503	(609)
Net result on barter transaction settlement	(401)	(1 837)	2 298	676	736
Revaluation and scrapping of non-current assets	38	(38)	15	726	741
Costs of the employee option scheme	-	-	-	1 954	1 954
Valuation of interest rate hedging instrument	-	3 108	1 604	942	5 654
Adjusted profit before tax	**2 941**	**10 333**	**11 342**	**13 829**	**38 445**

Comments on consolidated revenues for 2015

For the purposes of comparative analysis of the growth in revenues we present below the information on results of companies purchased in 2015 and not included in the pro forma financial results for 2014.
During the current financial year, the Group's structure has been changing. The most important change was the purchase of shares in companies NextWeb Media Sp. z o.o. and Blomedia Sp. z o.o in June 2015 as well as the purchase of shares in Finansowysupermarket.pl Sp. z o.o and Web Broker Sp. z o.o. in September 2015. Since the date of taking over the control by the Wirtualna Polska Holding Capital Group until the end of third quarter of 2015 those entities have recorded the following financial results:

(w PLN'000)	Finansowysupermarket.pl Sp. z o.o.	Web Broker Sp. z o.o.	Blomedia Sp. z o.o.	NextWeb Media Sp. z o.o.	Total
Sales	504	111	847	1 196	2 657
EBITDA	58	(38)	(203)	62	(121)
Adjusted EBITDA	58	(38)	(173)	62	(91)
Net profit	30	(40)	(311)	(187)	(508)

Financial position of the Group

The following table presents the consolidated statement of financial position of the Group as at the end of the September 2015 and as at 31 December 2014:

(in PLN'000)	As at 30 September 2015	As as 31 December 2014	Change in PLN'000	Percentage change
Non-current assets	534 089	484 962	49 127	10,1%
Current assets	137 794	84 858	52 936	62,4%
Non-current liabilities	226 365	247 211	(20 846)	-8,4%
Current liabilities	91 450	77 014	14 436	18,7%
Equity	342 258	234 051	108 207	46,2%
Share capital	1 413	1 231	182	14,8%
Non-controlling interests	11 810	11 544	266	2,3%

The analysis of changes in the Group's balance sheet has been prepared as at the end of September of the current year compared with 31 December 2014. When compared to the end of 2014, the main event affecting the Group's balance sheet was the initial public offering in May 2015 and the effects of the Group's acquisition activity which was the purchase of shares in NextWeb Media Sp. z o.o. and Finansowysupermarket.pl Sp. z o.o. The impact of this acquisitions on the individual lines of the consolidated statement of financial position has been discussed in the analysis of these items.

Non-current assets

The following table presents changes in non-current assets by category:

(in PLN'000)	As at 30 September 2015	As at 31 December 2014	Change in PLN'000	Percentage change
Property, plant and equipment	51 867	49 281	2 586	5,2%
Goodwill	149 184	124 833	24 351	19,5%
Other intangible assets	331 543	309 695	21 848	7,1%
Other non-current assets	-	-	-	-
Deferred tax assets (net)	1 495	1 153	342	29,7%
Non-current assets	**534 089**	**484 962**	**49 127**	**10,1%**

In the analyzed period, the slight increase in the value of non-current assets was due to the capital expenditure, which slightly exceeded depreciation and amortization.
Change in the value of goodwill until the end of September 2015 resulted from the provisional settlement of the purchase of shares in NextWeb Media Sp. z o.o. and Finansowysupermarket.pl Sp. z o.o. The Group recognized respectively PLN 18,684 thousand and PLN 5,778 thousand of new goodwill on these acquisitions. Furthermore, the Group decreased the value of provisional goodwill on purchase of Money.pl Group by PLN (111) thousand.
In the analyzed period, a significant increase in other intangible assets was recorded by the Group due to the recognition of PLN 15.8 million of intangible assets acquired along with NextWeb Media Sp. z o.o.. (mostly customer relationship and trademarks: abcZdrowie.pl and parenting.pl) and of PLN 5.8 million of intangible assets acquired along with Finansowysupermarket.pl Sp. z o.o. (including PLN 5.6 million of customer relationships of acquired entity). Moreover, in the analyzed period, the Group purchased two Internet radio platforms: OpenFm and PolskaStacja for total of PLN 3.8 million.

Current assets

The following table presents changes in current assets by category:

(in PLN'000)	As at 30 September 2015	As at 31 December 2014	Change in PLN'000	Percentage change
Trade receivables	41 391	39 131	2 260	5,8%
Barter receivables	5 417	2 894	2 523	87,2%
Public receivables	5 368	7 571	(2 203)	-29,1%
Capitalized costs of the public offering	-	965	(965)	-100,0%
Other current assets	3 067	3 149	(82)	-2,6%
Cash and cash equivalents	82 551	31 148	51 403	165,0%
Current assets	**137 794**	**84 858**	**52 936**	**62,4%**

The increase in current assets was mainly caused by cash proceeds from initial public offering. A detailed analysis of changes in cash and cash equivalents will be presented further in this Report, in the cash flow statement analysis.

Despite the high growth in sales and the recognition of trade receivables of PLN 4.6 million contributed by companies acquired in 2015, the total trade receivables increased only by PLN 2.2 million as compared to the end of 2014.

The decrease in public receivables was mainly due to refund of PLN 3.9 million of CIT for previous year received in September 2015 by WP Shopping Sp. z o.o. The impact of this refund on public receivables was partially offset by the increase in VAT to be settled in the following periods.

The costs of initial public offering capitalized as at 31 December 2014 were offset against supplementary capital in the first half of 2015.

Non-current liabilities

(in PLN'000)	As at 30 September 2015	As at 31 December 2014	Change in PLN'000	Percentage change
Loans, advances and leases	150 887	200 635	(49 748)	-24,8%
Contingent liabilities relating to business combination	12 378	3 038	9 340	307,4%
IRS - cash flow hedges	2 219	3 770	(1 551)	-41,1%
Liabilities with respect to put options for non-controlling interests	45 437	32 358	13 079	40,4%
Deferred tax liabilities	15 444	7 410	8 034	108,4%
Non-current liabilities	**226 365**	**247 211**	**(20 846)**	**-8,4%**

Non-current liabilities decreased mainly due to reduction of long term portion of debt. The debt was reduced mainly due to repayment of PLN 20 million with funds from initial public offering. Moreover, the new loan agreement signed on 24 March 2015 implied faster debt repayment schedule.

Furthermore, a change in the valuation of IRS hedging instruments held by Grupa Wirtualna Polska Sp. z o.o. (currently: Grupa Wirtualna Polska SA) caused a decrease in non-current liabilities by PLN 1.5 million compared to the end of 2014.

On the other hand, the Group's long-term liability with respect to put option for non-controlling interests in Domodi Sp. z o.o. increased significantly. Due to the fact that the financial results of Domodi sp. z o.o. for the current year exceeded significantly the originally expected values, the Management considered necessary to revise a long-term forecast for this company and consequently updated the valuation of the liability to purchase a minority stake of 49% shares in this entity in the Group's consolidated balance sheet. After the end of 2017, the Group will be entitled to purchase, and the former shareholder to sell a further 24.5% of shares in Domodi Sp. z o.o. at a price determined based on the Company's results for the year 2017. After the end of 2019, the Group will be entitled to purchase, and the former shareholder to sell the remaining 24.5% of shares in Domodi Sp. z o.o. at a price determined based on Domodi's results for the year 2019 or the market value of the Company's shares. Taking into account the current and forecasted for the following years above-average financial results of Domodi Sp. z o.o. which exceeded significantly the original projections used to estimate the value of the liability to purchase the non-controlling package, this liability was revaluated by PLN 11.5 million in the third quarter. The effect of this revaluation was recognized in the financial part of consolidated income statement and other comprehensive income. Originally estimated undiscouted value of this liability amounted to PLN 43.1 million, while after the revaluation on the basis of current forecasts it was raised by PLN 13.9 million to reach PLN 56.9 million which after including the discount factor, increased the Group's balance sheet by PLN 11.5 million.

Moreover, in the analyzed period, contingent liabilities relating to business combinations increased. This increase was mainly caused by initial recognition of contingent earn-out liability arising from the purchase of NextWeb Media Sp. z o.o. shares. As at 30 September 2015 the discounted value of this earn-out liability was estimated at the level of PLN 12,378 thousand. According to the share purchase agreement the previous shareholder is potentially entitled to three rounds of additional remuneration. The first tranche of PLN 3,500 thousand nominal value may be paid by the end of 2016, provided NextWeb Media Sp. z o.o. and Blomedia Sp. z o. o. reache EBITDA level calculated for twelve months following the acquisition as indicated in the agreement. The second and third tranches will be calculated as a percentage of estimated future value of NextWeb Media Group calculated as at 31 December 2016 and 30 June 2018 respectively.
Meanwhile, due to planned for the fourth quarter earlier payment of contingent consideration in respect of the purchase of shares in Domodi Sp. z o.o. this liability as at 30 September 2015 was reclassified to the short-term part of the balance sheet.

Current liabilities

(in PLN'000)	As at 30 September 2015	As at 31 December 2014	Change in PLN'000	Percentage change
Loans, advances and leases	33 955	19 777	14 178	71,7%
Interest rate swap	-	2 237	(2 237)	-100,0%
Trade payables	28 325	29 117	(792)	-2,7%
Public liabilities	4 835	6 441	(1 606)	-24,9%
Wages and salaries payable	5 852	5 423	429	7,9%
Liabilities in respect of purchase of fixed assets and intangible assets	5 050	4 215	835	19,8%
Provisions for employee benefits	2 372	2 096	276	13,2%
Other provisions	1 457	2 115	(658)	-31,1%
Contingent liabilities relating to business combination	4 557	1 342	3 215	239,6%
Other	4 306	3 874	432	11,2%
Current income tax liabilities	741	377	364	96,6%
Current liabilities	**91 450**	**77 014**	**14 436**	**18,7%**

The increase in current liabilities was mainly due to increase in short-term portion of bank loan, which was caused by refinancing and by the fact that new loan agreement implies faster debt repayment schedule.

Another important factor contributing to the increase in total current liabilities was transfer of contingent liability related to purchase of shares in Domodi Sp. z o.o., previously presented in the long-term part. In the second quarter of the current year, as it became probable that the contingent consideration related to the purchase of shares in Domodi Sp. z o.o. will be paid in the maximum amount, the value of the liability was increased by PLN 680 thousand. In the third quarter of 2015, due to earlier fulfillment by Domodi Sp. z o.o. of conditions for payment of the maximum amount of contingent liability and the intention of its repayment by the Group in the fourth quarter of 2015, the discount of PLN 224 thousand has been reversed and the liabilitity was reclassified to the short-term part in the nominal value of PLN 4,000 thousand.

Overall increase in current liabilities was offset by the repayment of hedging instrument IRS in April 2015 related to previous funding as well as by the slight decrease in trade payables.

In the analyzed period, public liabilities decreased, mainly due to seasonality of advertising sales. Characteristic for the Group, a slightly lower sales in the third quarter of the year resulted in the decrease in VAT liabilities

Equity

(in PLN'000)	As at 3o September 2015	As at 31 December 2014	Change in PLN'000	Percentage change
Equity attributable to the parent company's shareholders, including:	342 258	234 051	108 207	46,2%
Share capital	1 413	1 231	182	14,8%
Supplementary capital	310 453	206 664	103 789	50,2%
Revaluation reserve	(2 219)	-	(2 219)	-
Other reserves	(28 854)	(29 899)	1 045	-3,5%
Retained earnings	61 465	56 055	5 410	9,7%
Non-controlling interests	11 810	11 544	266	2,3%
Equity	**354 068**	**245 595**	**108 473**	**44,2%**

In the first nine months of 2015, equity attributable to the parent company's shareholders increased by the total amount of PLN 108,473 thousand, and this increase comprised of:

- the increase in the Company's equity of PLN 2,016 thousand due to the issue of C series shares, out of which the amount of PLN 15 thousand increased the share capital of Wirtualna Polska Holding SA, and the remaining part was transferred to supplementary capital.

- The increase in the equity of PLN 106,872 thousand due to the issue of E series shares, out of which the amount of PLN 167 thousand increased the share capital of Wirtualna Polska Holding SA, and the remaining amount was transferred to supplementary capital. The supplementary capital arising from the issue of E series shares was decreased by PLN 4,917 thousand costs of public offering,
- PLN -2,219 thousand of revaluation reserve resulting from valuation of interest rate swap recognized in the financial statements of the Group as cash flow hedge,
- the increase in other reserves of PLN 1,045 thousand due to the acquisition of rights to a consecutive tranche of share options under the existing incentive scheme.
- a net profit for the nine months of 2015 of PLN 5,410 thousand.

In the period from 1 January to 30 September 2015, the value of non-controlling interests increased by PLN 266 thousand. This change was due to the allocation to the non-controlling interests of an appropriate part of the profit earned in the period by Domodi Sp. z o.o. and dobreprogramy Sp. z o.o. in total amount of PLN 923 thousand, less approved dividend to minority shareholders for 2014 amounting to PLN 658 thousand.

Cash flow statement

(in PLN'000)	Nine months ended 30 September 2015	Nine months ended 30 September 2014
Net cash from operating activities	57 620	11 234
Net cash from investing activities	(57 207)	(359 543)
Net cash from financing activities	50 990	356 294
Total net cash flows	**51 403**	**7 985**

The Group's business model is characterized by generation of stable cash flows from operating activities due to high profitability of operations.

In the nine months of 2015, EBITDA generated by the Group of PLN 63,019 thousand contributed to generating positive cash flows from operating activities of PLN 57,620 thousand. The high level of conversion of EBITDA into operating cash observed in the three quarters, would be even higher after elimination of repayments of Group's liabilities related to costs incurred on the initial public offering, included in the cash flow from operating activities, which decreased the cash flow by more than PLN 8 million.

Cash flows from investing activities were negative and amounted to PLN -57,207 thousand in the analyzed period, out of which PLN -37,624 thousand was related to Group's acquisition activities i.e. the purchase of shares in NextWeb Media Sp. z o.o. and Finansowysupermarket.pl Sp. z o.o which (after deducting cash) amounted to PLN 20,553 thousand and PLN 12,062 thousand respectively, the purchase of two Internet radio platforms (Polska Stacja and Open FM) of PLN 4.0 million and the payment of PLN 1 million due to contingent liability recognized in relation to the purchase of enterprise Sportowefakty. In the analyzed period, the Group also settled significant CAPEX payments of total PLN 19,585 thousand mainly on purchase of intangible assets, server hardware and equipment for the television studio.

Cash flows from financing activities in the three quarters of 2015 amounted to PLN 50,990 thousand. Cash flows from financing activities were positively influenced by funds raised by Wirtualna Polska Holding SA from initial public offering of PLN 106,872 thousand as well as cash inflow of PLN 2,016 thousand as execution of the option scheme.

Negative cash flows from financing activities were caused by refinancing and repayment of bank loans which resulted in PLN 33,105 thousands decrease of debt. Furthermore, in the analyzed period the Group paid PLN 17,534 thousand of bank interests and commissions. Moreover, due to refinancing the Group made early payment of PLN 5,995 thousand in order to close its interest rate swap. Negative cash flows from financing activities were additionally influenced by dividend payment to minority shareholders (PLN 659 thousand) and financial lease repayment (PLN 605 thousand).

Selected financial ratios

Financial ratios	Nine months ended 30 September 2015	Nine months ended 30 September 2014 pro forma
Cash sales (PLN '000)	196 617	152 377
Cash sales (YoY increase)	29%	-
Adjusted EBITDA margin (on cash sales)	38%	39%
Adjusted gross margin (on cash sales)	21%	16%
Cash convertion ratio ((EBITDA - CAPEX)/EBITDA)	69%	74%
Financial leverage ratio (Net debt/Adjusted LTM EBITDA)	1,03	-
Financial leverage ratio (Net debt/Adjusted LTM EBITDA)*	1,46	

* expenses incurred on the purchase of intangible and tangible assets do not include funds used for acquisitions activities;
** the net debt in leverage ratio is calculated without taking into consideration the cash proceeds from initial public offering;

The main financial ratios analyzed by the Group's Management Board comprise cash proceeds from sales and their growth, adjusted EBITDA margin and adjusted gross margin. The sales for the three quarters of 2015 were by 29% higher than the sales calculated on the basis of the pro forma financial data for the corresponding period of the previous year. It was possible due to the synergies achieved in the area of revenues and the improving market position of the Group.

The EBITDA margin ratio for 9 months of 2015 remained at the similar level as its value calculated on the basis of the pro forma financial data for the corresponding period of the previous year. However, adjusted gross margin ratio increased from 16% to 21% which was mainly connected with the decline in financing costs.

The cash conversion ratio for three quarters of 2015 was at the high level of 69%.

In addition to the above-mentioned ratios, the Group's Management Board monitors the financial ratios defined in the loan agreement on an ongoing basis. As at the date of preparation of this Report, these ratios were satisfactory and there were no indications of a risk of not satisfying the requirements concerning their value as defined in the loan agreement.

DESCRIPTION OF FACTORS AND EVENTS, ESPECIALLY EXCEPTIONAL ONES, CONSIDERABLY AFFECTING THE RESULTS

In the period under analysis the following significant factors had an impact on the Group's financial and operating results:

- material acquisitions made by the Group in the prior year;
- increased effectiveness resulting from the use of Group's data resources and big data tools;
- costs of funding related to the acquisition of Wirtualna Polska SA and further acquisitions.

Material acquisitions made by the Group in prior periods

In the prior year the Group acquired other entities operating on the internet advertising and e-commerce markets, including generating leads on the e-commerce market. The Group acquired shares in Wirtualna Polska SA, Domodi Sp. z o.o. and Money.pl Sp. z o.o., as well as the enterprise Sportowe Fakty. The acquisitions referred to above had a significant impact on the increase in revenues and EBITDA compared with the same period of the prior year.

The Group's consolidated revenues for the nine months of 2015 amounted to PLN 223,520 thousand compared with PLN 131,605 thousand for the corresponding period of 2014. EBITDA amounted to PLN 63,019 thousand in the current period, compared with PLN 28,162 thousand in the same period of the prior year. Adjusted EBITDA (adjusted by one-off events comprising: transaction costs relating to the public offering and acquisitions, net result on settlements of barter transactions, income from revaluation of non-operational provisions, fixed assets, costs of the Management Options Scheme) amounted to PLN 74,434 thousand in the analyzed period compared with PLN 52,875 thousand in the same period of the prior year.

Increase in effectiveness as a result of using the Group's data resources and big data tools

The Group has one of the largest databases of real users of internet portals and the largest database of real email users in Poland. Achieving the highest rank in the number of real email users was possible thanks to – among other things – acquisitions and business combinations made by the Group in 2014.

Having a large number of service and content users gives the Group access to information on user behavior, within the limits set by the provisions of the law. Thanks to access to a large amount of data on user behaviors (in particular on content and services used by users) and the progress in possibilities of analyzing extensive data resources, which was made in recent years (tools for analysis of large and diverse data sets, generated with high frequency, so called big data), the Group has a significant potential for increasing its operating effectiveness, among other things, through the personalization of content, and personalization of advertisements which are more effective, by eliminating the advertisements of products in which a given user is not interested. Increasing the effectiveness of the personalization of advertisements consists, among other things, of increasing the number of clicks on the advertisements as a result of displaying them to the users. A larger number of clicks on an advertisement enables the Group to earn higher revenue in the event of settlements according to the effectiveness model.

Borrowings related to the acquisition of Wirtualna Polska SA and further acquisitions

With reference to the acquisition of Wirtualna Polska SA (currently WP Shopping Sp. z o.o.) made on 13 February 2014 and the Group's further acquisitions, the Group concluded a loan agreement based on which it was granted loans in the total amount of up to PLN 270 million, of which PLN 175 million was earmarked for the purchase of Wirtualna Polska SA. The remaining part of the purchase price of Wirtualna Polska SA was financed with funds paid in to the Group by European Media Holding SAr.l. in the form of a capital increase. On 19 September 2014 the Group used another tranche of the loan of PLN 1.8 million to develop technical infrastructure. On 1 and 12 December 2014 the Group used the loan tranche of PLN 47.0 million to purchase shares in Money.pl Sp. z o.o. and its subsidiaries, and PLN 3.3 million to develop technical infrastructure.

Until 8 April 2015 the amount due in respect of the loan bore an interest rate of 6M WIBOR plus the margin specified in the agreement, dependent on the ratio of the Group net debt to EBITDA. Additionally, until 7 April 2015, Grupa Wirtualna Polska Spółka z o.o. (currently: Grupa Wirtualna Polska SA) had an interest rate swap contract concluded with Bank Pekao in respect of PLN 130 million, under which the variable interest rate on the above portion of the loan dues was swapped for a fixed interest rate. In consequence, in respect of the portion of the loan which was not hedged with the interest rate swap the Group was exposed to risk related to a change in the interest rate as a result of a change in the 6M WIBOR.

On 24 March 2015, Grupa Wirtualna Polska Sp. z o.o. (currently: Grupa Wirtualna Polska SA) terminated the previous loan agreement concluded with Bank Pekao and ING Bank Śląski on 12 December 2013. Due to the early termination of the agreement the Group was obliged to pay commission on early repayment in the amount of PLN 1,996 thousand.

The finance costs for 2015 also included PLN 4,205 thousand in respect of arrangement fees incurred on the origination of the previous loan, which are deferred over the period of the loan by accounting for interest on the loan using the effective interest rate.

On 24 March 2015, Grupa Wirtualna Polska Sp. z o.o. (currently: Grupa Wirtualna Polska SA) and mBank SA and ING Bank Śląski SA concluded a loan agreement to refinance the current debt, finance capital expenditure and acquisitions, and the bank overdraft, on the basis of which they granted a loan to Grupa Wirtualna Polska Sp. z o.o. (currently: Grupa Wirtualna Polska SA) in the total amount of up to PLN 279.5 million.
The new loan bears an interest rate of 3M WIBOR plus the margin specified in the agreement.
Additionally, on 28 April Grupa Wirtualna Polska Sp. z o.o. concluded an interest swap agreement with mBank and ING Bank Śląski swapping the variable interest rate on the new loan to a fixed interest rate. As at the balance sheet date, jointly, these contracts hedge interest rates for the equivalent of PLN 43.5 million of the A tranche of the loan and PLN 77.2 million of the B tranche of the loan. These financial instruments are treated as hedge accounting and were recognized in the financial statements of the Group as cash flow hedge under IAS

39. On each balance sheet date the Group indicates effective and ineffective part of hedge according to rules of IAS 39.95. The effective part of cumulated gain/loss (change of fair value) from the instrument is recognized in other comprehensive income. The ineffective part of cumulated gain/loss (change of fair value) from the instrument is presented in financial revenues/costs of the current period. Since the hedging instruments concluded are in total compliance in respect of both the interest periods and the amortization, the effectiveness tests conducted at the end of September 2015 have shown full effectiveness of the hedge. The table below shows the presentation of the hedging instruments held by the Group as at 30 September 2015 in consolidated balance sheet.

(in PLN'000)	As at 30 September 2015
Long-term liabilities from valuation of IRS	(2 219)
Revaluation reserve	2 219

As at 30 September 2015 the balance of the Group's liability resulting from loan agreement amounted to PLN 184 million.

In the nine months of 2015 the Group's interest and commissions expenses, the bulk of which resulted from interest on the bank loan, amounted to PLN 8,161 thousand. The amount of these costs in consecutive periods, to the extend not hedged with interest rate swaps, will depend on WIBOR 3M which was 1.73% as at 30 September 2015.

Apart from the factors referred to above during the nine months ended on 30 September 2015 there were no extraordinary factors or events which would have a significant impact on the financial results achieved.

FACTORS WHICH IN THE GROUP'S OPINION WILL HAVE AN IMPACT ON THE ACHIEVED FINANCIAL RESULTS IN THE PERSPECTIVE OF THE FOLLOWING PERIODS

As in the past, the Group's operations will be affected mainly by the following factors:

- the economic situation in Poland;
- competition on the Polish advertising market; and
- the growth rate of expenses on online advertising and the development of electronic commerce in Poland;
- active acquisition activities.

Economic situation in Poland

The Group conducts operations in Poland in the advertising sector, the dynamics of which are in principle strongly positively correlated with the economic growth and macroeconomic situation in Poland. In consequence, the Group's business activities are affected by macroeconomic factors which shape the situation on the Polish market, which in turn is significantly affected by the EU and global economic situation.

Changes in the economic situation, which are reflected by the GDP growth, affect the buying power of the Group's clients and the consumers of its products and services, as well as the inclination to spend or save, thus shaping the level of advertising budgets of the Group's customers and at the same time the demand for the Group's advertising products.

Competition on the Polish advertising market

Both globally and in Poland, the internet advertising market is characterized by high competition. The Group's direct competition includes entities which own national portals and websites, in particular onet.pl, interia.pl or gazeta.pl. Moreover, the Group competes with entities which own international portals and websites, especially in the area of electronic mail (e.g. Yahoo!, Gmail, Hotmail, AOL) and website services (e.g. Google, Facebook, Twitter).

Moreover, although not directly, the Group's competition also comprises other entities operating on the widely defined advertising market, including in particular television stations, newspapers and radio. These entities compete with one another in terms of product and service prices, especially advertising rates, the ability to reach potential customers with a profile sought by the advertisers, attractiveness and quality of published materials, shaping of trends on the market or ability to quickly adapt to such trends, and in terms of brand strength.

As at the date of publication of the Report the Group is one of the two leading entities among domestic portals and websites. In line with its strategy, the Group will strive to strengthen its leading position among the portals and website services present on the Polish market. Holding the leading position is important due to the so-called leadership premium, i.e. the advertisers' tendency to prefer placing advertisements on portals and website services holding the leading position on the market in terms of the offered reach, which has a significant effect on the income generated.

Growth of expenditure on online advertising and the development of e-commerce in Poland

The Group's results depend on the growth of expenditure on online advertising and the development of e-commerce. The development of the online advertising market and e-commerce depends largely on the continued popularization of the internet. In Poland more and more households and enterprises have access to the internet; however, the current state of development of the broadband infrastructure and the level of its use is relatively low compared with most EU countries. It is expected that access to broadband internet in Poland will continue to grow. The propagation of access to the internet accompanies growth in the online advertising market in Poland; its further dynamic growth is expected.

Moreover, in recent years a change in the manner of accessing the internet has been observed which may also have a material impact on the growth of the markets on which the Group operates. In the era of rapid development of the technical capabilities of equipment, each year the number of households and enterprises using mobile internet connections is growing. Therefore, both changes in the trends for internet use and the increase in connection speed may have an impact on the growth of particular segments of the internet advertising market.

The share of the Polish e-commerce market in the whole retail market is increasing systematically in line with the proliferation of the internet and the increase in consumers' confidence in e-commerce. According to estimations the Polish market will be the fastest growing B2C e-commerce market in the European Union. Despite the fact that the market is growing very quickly, Poles are spending less in the internet than is the average for the European Union; nevertheless, internet spending is increasing year on year. The development of e-commerce also has an impact on the Group's results.

By generating leads on the e-commerce market via the Domodi, Homebook, Allani, Finansowysupermarket.pl and Money.pl portals, and e-commerce advertising activities of the Wirtualna Polska website, the Group is exposed to the advertising e-commerce market, i.e. advertising based on the lead generation formula on the order of internet shops. Therefore, the development of the electronic market in Poland will have a positive impact on the Group's operations.

Active acquisition

In accordance with the strategy adopted by the Group, the Management Board analyses investing possibilities in companies which provide services similar or complementary to the Group's services, which may supplement the portfolio of the Group's products and services and participates in acquisition processes, on a current basis. The Management Board intends to earmark the remaining part of the proceeds from the share issue for financing the Group's acquisitions in accordance with the adopted strategy, which will enable the Group to pursue the strategy of organic reinforcement through acquiring other entities. Due to the fact that the Group perceives itself as a consolidator of the Polish internet market and intends to actively pursue its strategy in this respect, concluding hedge contracts in respect of funding future acquisitions will reinforce the Group's competitive and negotiating position in potential acquisitions. Potential acquisitions may also have a material impact on the results achieved by the Group in consecutive quarters.

SIGNIFICANT EVENTS WHICH TOOK PLACE IN THE THREE QUARTERS OF 2015

Refinancing of the Group's debt

On 24 March 2015, Grupa Wirtualna Polska Sp. z o.o. (currently: Grupa Wirtualna Polska SA) terminated the previous loan agreement concluded with Bank Pekao and ING Bank Śląski on 12 December 2013.

The whole debt under the previous loan agreement and its refinancing took place 8 April 2015.

In relation to the termination of the loan agreement the Group was obliged to pay commission for early repayment of PLN 1,996 thousand. The finance costs for the period also included PLN 4,205 thousand in respect of origination fees incurred on the origination of the previous loan, which were to be deferred over the term of the loan by accounting for interest on the loan using the effective interest rate.

On 24 March 2015, Grupa Wirtualna Polska Sp. z o.o. (currently: Grupa Wirtualna Polska SA) and mBank SA and ING Bank Śląski SA concluded a loan agreement to refinance the current debt, finance capital expenditure and acquisitions, and the bank overdraft, on the basis of which they granted a loan to Grupa Wirtualna Polska Sp. z o.o. in the total amount of up to PLN 279.5 million. To be used for:

- refinancing the current debt in respect of the loan agreement concluded by and between Grupa Wirtualna Polska Sp. z o.o. (currently: Grupa Wirtualna Polska SA) and Bank Pekao and ING Bank Śląski, which was earmarked for financing the acquisition of Wirtualna Polska SA by Grupa Wirtualna Polska Spółka z o.o., debt refinancing, financing capital expenditure and acquisitions, and financing current operations and working capital, in the total amount of up to PLN 219.5 million, comprising up to PLN 134.5 million (the A tranche of the loan) and up to PLN 85 million (the B tranche of the loan);
- financing capital expenditure and acquisitions specified in the agreement up to PLN 50 million (Capex tranche of the loan); and
- Refinancing the early repayment of the loan of PLN 10 million.

The new loan agreement bears an interest rate of 3M WIBOR plus a specified margin depending on the ratio of the Group's net debt to EBITDA.

Grupa Wirtualna Polska SA is obliged to repay the debt as follows:

- tranche A should be repaid in twenty equal quarterly instalments payable over a term of 5 years after the lapse of 3 months of concluding the new loan agreement;
- tranche B should be repaid on the final maturity date which will be the 6th anniversary of the conclusion of the new loan agreement;
- tranche CAPEX should be repaid in twelve equal quarterly instalments payable after the lapse of two and a half years of concluding the new loan agreement.

Receivables of the new lenders in respect of the loan granted are secured as follows:

- financial and registered pledges on shares in Grupa Wirtualna Polska Spółka S.A. (the registered pledge agreement was concluded on 30 October 2015, the pledge has not been entered in the relevant register yet), financial and registered pledges on shares in http Spółka z o.o., Dobreprogramy Spółka z o.o., Business Ad Network Spółka z o.o., Businessclick Spółka z o.o., Money.pl Spółka z o.o., Domodi Spółka z o.o., WP Shopping Spółka z o.o. and WP1 Sp. z o.o. and Blomedia.pl Sp. z o.o. (the registered pledge agreement was concluded on 30 October 2015, the pledge has not been entered in the relevant register yet);
- registered pledges on items and rights of Wirtualna Polska Holding SA, Grupa Wirtualna Polska S.A., Money.pl Spółka z o.o., Business Ad Network Spółka z o.o., Business Ad Network Spółka z o.o.; WP1 Spółka z o.o.; Blomedia.pl Spółka z o.o.;
- ordinary and registered pledges on rights to trademarks of Grupa Wirtualna Polska S.A., Money.pl Spółka z o.o. and Blomedia.pl Spółka z o.o. (the registered pledge agreement on rights to trademarks was concluded on 30 October 2015, the pledge has not been entered in the relevant register yet);
- financial and registered pledges on bank accounts maintained for Wirtualna Polska Holding SA, Grupa Wirtualna Polska S.A., Money.pl Spółka z o.o., Business Ad Network Spółka z o.o., WP Shopping Spółka z o.o., WP1 Spółka z o.o., Blomedia.pl Spółka z o.o. together with powers of attorney to those bank accounts;
- transfer of rights from agreements mentioned in the new loan agreement (including insurance policies, commercial contracts, intercompany loans) Wirtualna Polska Holding SA and Grupa Wirtualna Polska SA; Money.pl Spółka z o.o.; Business Ad Network Spółka z o.o., WP Shopping Spółka z o.o., WP1 Spółka z o.o., Blomedia.pl Spółka z o.o.,

- declarations on submission to enforcement procedures by Wirtualna Polska Holding SA, Grupa Wirtualna Polska SA and WP Shopping Spółka z o.o., Money.pl Spółka z o.o., Business Ad Network Spółka z o.o., WP1 Spółka z o.o., Blomedia.pl Spółka z o.o., and
- a subordination agreement for the repayment of indicated existing and future dues in respect of Grupa Wirtualna Polska Spółka S.A. to dues of new borrowers.

The new loan agreement includes a mandatory early repayment clause which obliges Grupa Wirtualna Polska SA to earmark the proceeds from the issue of new shares admitted to trading on the regulated market to repayment of the debt, in order to reduce the Group's total net debt to EBITDA (Leverage Ratio) to a level of 2.0:1. On basis of this clause, on 21 May 2015 the Group made a mandatory loan prepayment of PLN 20 million, financing it from the listing proceeds.

Additionally, on 28 April Grupa Wirtualna Polska Sp. z o.o. (currently: Grupa Wirtualna Polska SA) concluded an interest swap agreement with mBank and ING Bank Śląski swapping the variable interest rate on the new loan to a fixed interest rate. Jointly, these contracts hedge interest rates for the equivalent of PLN 48.8 million of the A tranche of the loan and PLN 77.2 million of the B tranche of the loan. These financial instruments are treated as hedge accounting and were recognized in the financial statements of the Group as cash flow hedge under IAS 39.

The new loan agreement ensures a lower margin which results in a reduction in the total interest expense throughout the term of the loan and higher flexibility of funding future acquisitions.

Acquiring Internet radio platforms: OpenFM and PolskaStacja.pl

On 25 May 2015 the Group acquired two independent Internet radio platforms: OpenFM – from GG Network SA and PolskaStacja – from Polska Stacja s.c. This investment makes the Group the leader in the Internet radio segment, which has one of the highest content consumption time per user. OpenFM and PolskaStacja.pl with a total number of 755 thousand users and almost 90 million domestic views per month, are jointly the leader in this popular online service, and being at the same time Internet radio stations, involve mobile internet users to the greatest extend.

The total price for the internet platforms purchased amounted to PLN 4,0 million. The WP Group expects to increase revenues from these services significantly as a result of better use of the available advertising space, monetized primarily by pre-roll video, and audio and banner advertising.

Purchase of shares of NextWeb Media Sp. z o.o

On 3 June 2015 Wirtualna Polska Holding S.A. finalized the purchase of 100% shares in NextWeb Media Group, publisher of services abcZdrowie.pl, Parenting.pl and creator of blogging platform Blomedia.pl. Along with this transaction, the Group won a team of experts and unique know-how as well as enriched its advertising offer. This acquisition significantly strengthens the Group's position in popular categories „Health, medicine" and „Children, family".

NextWeb Media Spółka z o.o. was one of the most dynamically growing media companies in our country engaged in publishing and advertising based on its own unique content marketing, native advertising formats and big data technology.

On 31 August 2015, Grupa Wirtualna Polska Sp. z o.o. and NextWeb Media Sp. z o.o. merged by transferring of all assets of NextWeb Media Sp. z o.o. to Grupa Wirtualna Polska Sp. z o.o. Group (merger by acquisition).

The group's leading products acquired together with NextWeb Media Sp. z o.o. Group are the services abcZdrowie.pl, one of the most popular health-related websites in Poland, and Parenting.pl, a modern service for parents. Along with NextWeb Media Group the company Blomedia.pl Sp. z o.o. was acquired, which runs a content marketing platform that connects independent and opinion-forming authors. This network brings together a total of 600 blogs in the following categories: fashion, cooking, new technologies, motoring, travel, and parenting.

The purchase price for 100% shares in NextWeb Media Group (including the purchase price adjustment after final calculation of net debt of acquired companies) was PLN 19,300 thousand. Moreover the transaction structure includes PLN 3.5 million payable one year after the acquisition and additional conditional earn-out payments payable over three years after the transaction. On the transaction day, the Group made also an advance payment of PLN 1,300 thousand against future earn-out. The aggregate estimated value of transaction, taking into account the discounted value of estimated contingent payment and earn-out amounted to PLN 32,437 thousand.

Detailed information about purchase price and the fair values of acquired assets and liabilities at the acquisition date are presented in Note 20 to the financial statements.

Purchase of shares of Finansowysupermarket.pl Sp. z o.o

On 16 September 2015 Money.pl Sp. z o.o., a subsidiary of the parent company, finalized a purchase of 100% shares in Finansowysupermarket.pl Sp. z o.o. which holds 100% of shares in Web Broker spółka z ograniczoną odpowiedzialnością.

Finansowysupermarket.pl Sp. z o.o. owns a fully independent comparison engine of financial products, which cooperates with more than 70 financial institutions in Poland. In its portfolio it has offers of loans, fast loans, deposits, cards, accounts, insurance, savings and investment products. Web Broker is the owner of the website jedenwniosek.pl - a comparison engine of loans in several banks in Poland. The purchase price for 100% shares in Finansowysupermarket.pl Sp. z o.o. amounted to PLN 12,319 thousand.

Moreover, as a part of the settlement Money.pl Sp. z o.o. was obliged to repay the Web Broker's liabilities to the previous owners due to loans in the total amount of PLN 200 thousand. The repayment of Web Broker's liabilities was made on the date of the share purchase agreement.

Detailed information about purchase price and the fair values of acquired assets and liabilities at the acquisition date are presented in Note 20 to the financial statements.

Joining the competition for the development of MUX8

On 18 September 2015, WP1 Sp. z o.o. submitted an application to the National Broadcasting Council for a broadcasting license for the transmission of a television programme for 10 years, by digital terrestrial diffusion using the eighth multiplex signal (MUX8).

On 5th November, 2015 the National Broadcasting Council ("NBC") granted the subsidiary of Company, i.e. WP1 sp. z o.o. with its registered seat in Warsaw, a broadcasting license for the transmission of a television programme. The programme will include auditions dedicated to the development of society, economy, culture and societal transformations in modern conditions of a quick technical and technological development. The programme will include auditions dedicated to media education and also will present contents from the new media. The programme will be interactive and friendly to the audience.

The programme complies with the conditions laid down in the Announcement of the Council's Chairman of 4 August 2015. The broadcasts will discuss a wide range of topics important to society in the era of quick development of internet technologies as well as documentaries, entertainment, information and education matters. The programme will use Internet and mobile technologies.

ADDITIONAL INFORMATION

Composition and changes of the Management and Supervisory Boards

As at 30 September 2015 and as at the date of this Report, the composition of the Management Board was as follows:

Jacek Świderski	- President of the Management Board
Krzysztof Sierota	- Management Board Member
Michał Brański	- Management Board Member
Elżbieta Bujniewicz - Belka	- Management Board Member responsible for finance

During the period covered in this Report, there were no changes to the composition of the Company's Management Board.

As at 30 September 2015, the composition of the Supervisory Board was as follows:

Jarosław Mikos	- Chairman of the Supervisory Board
Krzysztof Krawczyk	- Vice-chairman of the Supervisory Board
Beata Barwińska-Piotrowska	- Supervisory Board Member
Krzysztof Kulig	- Supervisory Board Member
Jan Łukasz Wejchert	- Supervisory Board Member
Tomasz Czechowicz	- Supervisory Board Member
Mariusz Jarzębowski	- Supervisory Board Member
Krzysztof Rozen	- Supervisory Board Member
Magdalena Magnuszewska	- Supervisory Board Member

During the period covered in this Report, the following changes to the composition of the Supervisory Board took place:

- on 5 April 2015, European Media Holding S.à.r.l., in execution of its personal right specified in §17 clause 1 item 2 of the Articles of Association of Wirtualna Polska Holding SA, recalled Mr Krzysztof Krawczyk as a member of the Supervisory Board;
- on 22 April 2015, European Media Holding S.à.r.l., in execution of its personal right specified in §17 clause 1 item 2 of the Articles of Association of Wirtualna Polska Holding SA, appointed Mr Krzysztof Rozen as a member of the Supervisory Board;
- on 23 June 2015 Mr Tomasz Jacygard resigned from the Supervisory Board;
- on 23 June 2015 Mr Krzysztof Krawczyk, Mrs Magdalena Magnuszewska and Mr Mariusz Jarzębowski were appointed as a member of the Supervisory Board;
- on 31 August 2015 the Supervisory Board appointed Mr Krzysztof Krawczyk to perform a function of a vice-chairman of the Supervisory Board.

On November 4th, 2015 the Management Board obtained the request for placing certain matters on the agenda of Extraordinary General Meeting of the Company from European Media Holding S.à r.l., company which holds 38,47% of shares in the share capital of the Company. Pursuant to article 400 sec. 1 Polish Commercial Companies Code European Media Holding S.à r.l. submitted the request for placing on the agenda of the Extraordinary General Meeting adoption of resolution regarding changes in the Supervisory Board of the Company. The next General Meeting of the Company was convened for December 8th, 2015.

Structure of the share capital

As at 30 September 2015, the share capital of Wirtualna Polska Holding SA amounted to PLN 1,412,639.10 and consisted of 28,252,782 ordinary shares with a par value of PLN 0.05 each, including:

- 12,389,709 A series shares with preferential voting rights, A series preference shares relates to voting rights on General Shareholders' Meeting in such way that one A series share gives two votes;

- 12,221,811 B series ordinary shares
- 301,518 C series ordinary shares
- 3,339,744 E series ordinary shares

B, C, E series shares are subject to trading on the regulated market.

On 10 April 2015, the Polish Financial Supervision Authority approved a prospectus prepared by Wirtualna Polska Holding SA in connection with a public offering of B and E series shares and the intention to seek admission to trading on the regulated market of B, C and E series shares and rights to E series shares.

On 7 May 2015, 5,852,634 the Company's B series ordinary bearer shares with a par value of PLN 0.05 (five groszy) each and 3,339,744 rights to E series ordinary bearer shares (also with a par value of PLN 0.05 (five groszy) each. The increase in the share capital was registered at the National Court Register on 13 May 2015.

The offering price of shares and rights to shares was set at PLN 32, enabling the Company to obtain the expected proceeds from the issue of new shares of PLN 107 million.

Shares offered were assigned to specific categories of investors as follows:

- 1,378,857 (in words: one million three hundred and seventy-eight thousand eight hundred and fifty-seven) shares for Individual Investors;
- 7,813,521 (in words: seven million eight hundred and thirteen thousand five hundred and twenty-one) shares for Institutional Investors.

Shareholders holding at least 5% of the total voting rights

In accordance with notifications received by the Company and to its best knowledge, as at the date of publication of this periodic Report, i.e. 15 May 2015, the structure of shareholders who held, directly or indirectly by their subsidiaries, at least 5% of the total voting rights at the Company's General Shareholders' Meeting was as follows:

Shareholder	Number of shares	% of share capital	Number of votes	% of voting rights
European Media Holding SARL	10 869 177	38,47%	15 369 177	37,82%
Orfe S.A.	2 629 903	9,31%	5 259 806	12,94%
10x S.A.	2 629 903	9,31%	5 259 806	12,94%
Albemuth Inwestycje S.A.	2 629 903	9,31%	5 259 806	12,94%
Other	9 493 896	33,60%	9 493 896	23,36%
Total	**28 252 782**	**100,00%**	**40 642 491**	**100,00%**

On 7 May 2015, the Company received a notification from the Company's shareholder, European Media Holding S.à r.l. with its registered office in Luxembourg, on a change in the shareholder's share in the total number of shares comprising the Company's share capital and in the total number of votes at the Company's General Shareholders' Meeting in connection with the public sale of B series ordinary bearer shares in the Company. The reduction occurred on 30 April 2015 as a result of the Shareholder allotting 5,852,634 B series ordinary bearer shares in the Company and recording those shares in institutional investors' accounts on 6 May 2015. The shares were sold by the shareholder in a public offering conducted on the basis of the Company's prospectus approved by the Polish Financial Supervision Authority on 10 April 2015, subject to annexes and update notices to the prospectus.

On 19 May 2015, the Company received a notification from three of its shareholders, namely from Orfe SA with its registered office in Warsaw, 10x SA with its registered office in Warsaw and Albemuth Inwestycje SA with its registered office in Warsaw (jointly, the "Founding Companies") and from Michał Brański, Krzysztof Sierota and Jacek Świderski (jointly, the "Founders"), on the change in the aggregate share of the Founding Companies in the total number of shares in the Company's share capital and in the total number of votes at the general meeting of the shareholders of the Company. The notification was made jointly by all the Founding Companies and the Founders due to the shareholder agreement entered on 19 March 2015 by and among the Founding Companies and the Founders, which provides that the parties shall vote in concert and implement a consistent policy in respect of the Company within the meaning of Article 87.1.5 of the Act of 29

July 2005 on Public Offering, the Conditions Governing the Introduction of Financial Instruments to Organised Trading, and on Public Companies. The reduction took place on 13 May 2015 following the registration in the Register of Business Entities of the National Court Register of the increase of the Company's share capital. Following the registration of the Company's share capital increase, the aggregate share of the Founding Companies in the total number of shares in the share capital of the Company fell by 3.74 p.p., and the aggregate share of the Founding Companies in the overall number of votes at the general meeting of the shareholders of the Company fell by 3.48 p.p.

Number of shares held by members of the managing and supervisory bodies

As at the date of this Report, the number of shares held by members of the managing and supervisory bodies was as follows:

- Jacek Świderski (President of the Management Board) holds, indirectly through Orfe SA (in which Jacek Świderski holds a 99% shares), 2,629,903 A series shares in the Company.
- Michał Brański (Member of the Management Board) holds, indirectly through 10x SA (in which Michał Brański holds a 99% shares) 2,629,903 A series shares in the Company.
- Krzysztof Sierota (Member of the Management Board) holds, indirectly through Albemuth Inwestycje SA (in which Krzysztof Sierota holds a 99% shares), 2,629,903 A series shares in the Company.
- In addition, under Phase I of the implementation of an incentive plan, Elżbieta Bujniewicz-Belka (Board member) and Jarosław Mikos (Chairman of the Supervisory Board) acquired, respectively, 18,664 and 136,919 ordinary bearer shares of the new C series issued based on the resolution approving the issue of C series shares. Elżbieta Bujniewicz-Belka and Jarosław Mikos are also entitled to participate in the next phase of the implementation of the incentive plan.
- Moreover, a company in which Jan Łukasz Wejchert (Member of the Supervisory Board) is a shareholder, i.e. Farledico Investment Ltd, acquired 123,058 C series shares issued based on the resolution approving the issue of C series shares.

Jacek Świderski, Michał Brański, Krzysztof Sierota are also entitled, based on an investment agreement, to a bonus from European Media Holding S.a r.l. for an increase in the Company's value. The bonus may be settled in the Company's shares. Detailed information on the bonus is provided in the "Investment Agreement" section of the Prospectus.

On 3 November 2015, the Company's Management Board received from its shareholder Orfe SA, the request for an immediate convening of the Extraordinary General Meeting of the Company. Pursuant to article 400 sec. 1 Polish Commercial Companies Code Orfe S.A. submitted the request for an immediate convening of the Extraordinary General Meeting and placing on the agenda adoption of resolutions expressing consent to exercise the voting rights by pledgees:

- Jacek Świderski – exercise voting rights attached to 789,554 or other, indicated by him, amount of A series registered shares in share capital of the Company with a nominal value of PLN 0.05 each, which are owned by European Media Holding S.à r.l.;
- Michał Brański – exercise voting rights attached to 789,554 or other, indicated by him, amount of A series registered shares in share capital of the Company with a nominal value of PLN 0.05 each, which are owned by European Media Holding S.à r.l.;
- Krzysztof Sierota – exercise voting rights attached to 789,554 or other, indicated by him, amount of A series registered shares in share capital of the Company with a nominal value of PLN 0.05 each, which are owned by European Media Holding S.à r.l.;

In relation to the intention to conclude a registered pledge agreements between European Media Holding S.à r.l. and Jacek Świderski, Michał Brański, and Krzysztof Sierota and in relation to the intention of placing in those agreements the right of pledgees to exercise voting rights attached to the shares of Company pursuant to article 340 sec. 1 of Polish Commercial Companies Code.

The Management Board convened the Extraordinary General Meeting of the Company on December 8,2015.

On 9th November, 2015, the Company obtained a notification from their shareholders: Orfe S.A. with its registered seat in Warsaw, 10x S.A. with its registered seat in Warsaw, Albemuth Inwestycje S.A. with its registered seat in Warsaw (hereinafter collectively referred to as Founding Companies) and from Michał Brański, Krzysztof Sierota and Jacek Świderski (hereinafter collectively referred to as Founders), that in relation to three registered pledge agreements concluded on 6 November 2015 between European Media Holding S.à r.l. as an pleger and each of the Founders as a pledgees (Pledge Agreements) and in relation to placing in the Pledge Agreements the right of pledgees to exercise voting rights attached to the shares of Company pursuant to article 340 sec. 1 of Polish Commercial Companies Code, there was a change in general number of votes held by the Founding Companies and Founders at the General Meeting of the Company.

Changes in general number of votes held by the Founding Companies and Founders at the General Meeting of the Company, which were described in the Notification are specified below.

The Notification was submitted collectively by all of the Founding Companies and Founders in relation to shareholders' cooperation agreement concluded on 19 March 2015 between the Founding Companies and the Founders, which is an agreement on joint voting at the general meeting of shareholders and conducting a long-term policy towards the company, within the meaning of article 87 sec. 1 point 5 of the Act on offering.

In accordance to the Notification, pursuant to article 69a sec. 3 in conjunction to article 87 sec. 5 point 3 of the Act on offering and in relation to placing in Pledge Agreements the right of pledgees to exercise voting rights attached to the shares of Company pursuant to article 340 sec. 1 of Polish Commercial Companies Code, each of the Founders could exercise the voting right of pledged A series registered shares and declare that would exercise those rights, however, not earlier than before the day of expression of the consent by the General Meeting of the Company and the entry of the note about the financial and registered pledge and also authorization for the Founders to exercise voting rights attached to shares in the Company's register of shares. Once those conditions are fulfilled, the Founders will have the right to exercise voting rights in the manner set out below.

1. Jacek Świderski – right to exercise voting rights attached to 789.554 A series registered shares, which constitute 2,79% of shares in share capital of the Company and right to exercise 1.579.108 votes on the general meeting of shareholders of Company (which constitute 3,89% of all votes);
2. Krzysztof Sierota – right to exercise voting rights attached to 789.554 A series registered shares, which constitute 2,79% of shares in share capital of the Company and right to exercise 1.579.108 votes on the general meeting of shareholders of Company (which constitute 3,89% of all votes);
3. Michał Brański – right to exercise voting rights attached to 789.554 A series registered shares, which constitute 2,79% of shares in share capital of the Company and right to exercise 1.579.108 votes on the general meeting of shareholders of Company (which constitute 3,89% of all votes).

Pursuant to article 87 sec. 5 point 1 of the Act on offering, including the block of shares of the Company owned by Founding Companies, after fulfilment of conditions set by law, the Founders and the Founding Companies will be entitled to exercise voting rights in the manner set out below.

1. Jacek Świderski and Orfe S.A. – entitled to exercise voting rights attached to 3.419.457 A series registered shares (including 2.629.903 shares owned by Orfe S.A., described above), which constitute 12,10% of shares in share capital of the Company and right to exercise 6.838.914 votes on the general meeting of shareholders of the Company (which constitute 16,83% of all votes);
2. Krzysztof Sierota and Albemuth Inwestycje S.A. – entitled to exercise voting rights attached to 3.419.457 A series registered shares (including 2.629.903 shares owned by Albemuth Inwestycje S.A., described above), which constitute 12,10% of shares in share capital of the Company and right to exercise 6.838.914 votes on the general meeting of shareholders of the Company (which constitute 16,83% of all votes);
3. Michal Brański and 10x S.A. – entitled to exercise voting rights attached to 3.419.457 A series registered shares (including 2.629.903 shares owned by 10x S.A., described above), which constitute 12,10% of shares in share capital of the Company and right to exercise 6.838.914 votes on the general meeting of shareholders of the Company (which constitute 16,83% of all votes).

As at the date of preparation of this Report, other members of the Supervisory Boards do not hold any shares or rights to shares of the Company.

Position of the Management Board concerning the possibility of meeting the previously published forecasts of results for the given year

The Group did not publish any forecasts of the results for 2015.

Events after the balance sheet date

Detailed information on events after the balance sheet date are presented in Note 33 of condensed interim consolidated financial statements for 9 months ended 30 September 2015.

Litigation pending before the court, the appropriate arbitration body or the public administration body

Due to the specific nature of its operations, mainly operating internet portals, the Group is exposed to suits in cases related to protection of personal rights. As 30 September 2015, a several dozen such cases were in progress. The Group recorded a provision for pending litigation based on the actual status of cases and cost estimates prepared by the Legal Department conducting the cases. The provisions were recorded in an amount of claims and court fees the adjustment of which is probable in the Group's opinion.

As at 30 September 2015, the Supreme Court issued a decision of refusal to accept an appeal in cassation brought by the plaintiff Leszek Bogdanowicz against WP Shopping Spółka z o.o. in which the plaintiff claims that he was a creator of the portal and author of the portal's name, "Wirtualna Polska" and "WP". Leszek Bogdanowicz demanded that the use of the names "Wirtualna Polska" and "WP" as well as the use of the part of the portal which was supposedly created by him, be prohibited. As a result of the Supreme Court's decision mentioned above, the suit filed by Leszek Bogdanowicz was finally dismissed in its entirety. Due to the final termination of the proceeding brought by Leszek Bogdanowicz, the Group intends to resume suspended proceedings regarding the registration of the "wp", "wp.pl" and "wirtualna polska" trademarks.

Information on transactions with related entities

All transactions with related entities are concluded on an arm's length basis. Detailed information on transactions with related entities are presented in Note 31 of the condensed interim consolidated financial statements for the 9 months ended 30 September 2015.

Information on guarantees and warranties granted in respect of loans and advances

Guarantees granted to non-Group entities.

In the period under analysis none of the Group companies granted any warranties in respect of loans or advances or guarantees – in aggregate to one company or an entity related to that company – the total value of which would constitute at least 10% of the Issuer's equity.

Intercompany guarantees

Companies: Wirtualna Polska Holding SA, WP Shopping Sp. z o.o., Money.pl Spółka z o.o., http Sp. z o.o. and Free4Fresh Sp. z o.o. were guarantors of the previous loan agreement concluded by and between Grupa Wirtualna Polska Sp. z o.o. and Bank Pekao and ING Bank Śląski.

After the refinancing transaction described in detail in section Significant Events Which Took Place In The Three Quarters of 2015, the following companies are guarantors of the loan agreement by and between Grupa Wirtualna Polska Spółka z o.o., and mBank and ING Bank Śląski: Wirtualna Polska Holding SA, WP Shopping Sp. z o.o., Business Ad Networks Sp. z o.o., WP1 Sp. z o.o., Money.pl Sp. z o.o. and Blomedia Sp. z o.o. The Management Board assumes that all companies that are currently guarantors of the loan agreement will remain until the end of the credit agreement. The total guarantee amount corresponds to the current balance of the Group's debt of the credit agreement .

Other information which in the Group's opinion is material to the assessment of the Group's human resources, asset and financial position, its changes and the possibility of its discharging its liabilities

Apart from the events described in this Report and in the condensed consolidated financial statements, no other events occurred until the date of publication of this Report which would be material to the assessment of the Group's ability to discharge its liabilities.

In the opinion of the Management Board of Wirtualna Polska Holding SA the presented information exhaustively describes the human resources, asset and financial position of the Group. No other events took place which have not been disclosed by the Company and which could be considered material to the assessment of its respective position.

____
Jacek Świderski, President of the Management Board

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Michał Brański, Management Board Member

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Krzysztof Sierota, Management Board Member

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Elżbieta Bujniewicz-Belka, Management Board Member

Warsaw, 16 November 2015

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

as at 30 September 2015
and
for 3 and 9 months period ended
30 September 2015

INTERIM CONSOLIDATED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

(in PLN'000)	Note	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014	For the three months ended 30 September 2015	For the three months ended 30 September 2014
Sales	10	**223 520**	**131 605**	**78 246**	**52 337**
Amortization and depreciation		(22 010)	(14 603)	(7 525)	(6 097)
Materials and energy used		(3 683)	(2 723)	(1 182)	(909)
Costs related to public offering, acquisitions of subsidiaries and restructuring, including:	10	(8 576)	(25 835)	(1 139)	(7 913)
External services	10	(5 787)	(16 146)	(556)	(5 284)
Salary and employee benefit expense	10	(1 159)	(6 613)	(192)	(2 012)
Other operating expenses	10	(1 630)	(3 075)	(390)	(616)
Costs of the employee option scheme	22	(1 045)	-	(349)	-
Other external services		(72 362)	(32 189)	(28 691)	(15 212)
Other salary and employee benefit expenses		(71 232)	(41 916)	(24 070)	(16 504)
Other operating expenses	12	(4 119)	(2 495)	(1 433)	(168)
Other operating income/gains	11	666	604	81	415
Gain/loss on disposal of other financial assets		(150)	1 112	-	-
Operating profit		**41 009**	**13 560**	**13 938**	**5 949**
Finance income	13	678	146	329	21
Finance costs	14	(17 615)	(12 490)	(3 645)	(4 715)
Revaluation of commitments to purchase non-controlling interests		(11 546)	-	(11 546)	
Profit before tax		**12 526**	**1 215**	**(924)**	**1 255**
Income tax	15	(6 191)	(383)	(2 341)	(484)
Net profit		**6 335**	**832**	**(3 265)**	**771**
Other comprehensive income	23	(2 219)	-	(2 516)	
Comprehensive income		**4 116**	**832**	**(5 781)**	**771**
Net profit attributable to:					
Equity holders of the Parent Company		5 410	581	(3 717)	583
Non-controlling interests		925	251	452	188
Comprehensive income attributable to:					
Equity holders of the Parent Company		3 191	581	(6 233)	583
Non-controlling interests		925	251	452	188
Net profit attributable to equity holders of the Parent Company per share (in PLN)					
Basic	16	0,20	0,03		
Diluted	16	0,20	0,03		

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in PLN'000)	Nota	As at 30 September 2015	As at 31 December 2014
Non-current assets			
Property, plant and equipment	18	51 867	49 281
Goodwill	19	149 184	124 833
Trademarks	18	127 393	123 170
Homepage and WP mail	18	142 034	146 897
Other intangible assets	18	62 116	39 628
Deferred tax assets	15	1 495	1 153
		534 089	**484 962**
Current assets			
Trade and other receivables	17	55 243	53 710
Cash and cash equivalents		82 551	31 148
		137 794	**84 858**
TOTAL ASSETS		**671 883**	**569 820**
Equity			
Equity attributable to equity holders of the Parent Company			
Share capital	21	1 413	1 231
Supplementary capital		310 453	206 664
Revaluation reserve	23	(2 219)	
Other reserves		(28 854)	(29 899)
Retained earnings		61 465	56 055
		342 258	**234 051**
Non-controlling interests		***11 810***	***11 544***
		354 068	**245 595**
Long-term liabilities			
Loans and leases	24	150 887	200 635
Other liabilities	27	60 034	39 166
Deferred tax liability	15	15 444	7 410
		226 365	**247 211**
Short-term liabilities			
Loans and leases	24	33 955	19 777
Trade and other payables	27	52 925	52 649
Provisions for employee benefits	26	2 372	2 096
Other provisions	26	1 457	2 115
Current income tax liabilities		741	377
		91 450	**77 014**
TOTAL EQUITY AND LIABILITIES		**671 883**	**569 820**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in PLN'000)	Note	Equity attributable to equity holders of the Parent Company						Non-controlling interests	Equity
		Share capital	Supplementary capital	Revaluation reserve	Other reserves	Retained earnings	Total		
Equity as at 1 January 2015		**1 231**	**206 664**	**-**	**(29 899)**	**56 055**	**234 051**	**11 544**	**245 595**
Net profit		-	-	-		5 410	5 410	925	6 335
Other comprehensive income	23	-	-	(2 219)	-	-	(2 219)	-	(2 219)
Total comprehensive income		**-**	**-**	**(2 219)**	**-**	**5 410**	**3 191**	**925**	**4 116**
Share capital increase from IPO	21	167	106 705	-	-	-	106 872	-	106 872
Share-based payments		15	2 001	-	1 045	-	3 061	-	3 061
Costs of public offering recognized in the supplementary capital	21,22	-	(4 917)	-	-	-	(4 917)	-	(4 917)
Payment of dividend		-	-	-	-	-	-	(659)	(659)
Equity as at 30 September 2015		**1 413**	**310 453**	**(2 219)**	**(28 854)**	**61 465**	**342 258**	**11 810**	**354 068**

(in PLN'000)	Note	Equity attributable to equity holders of the Parent Company						Non-controlling interests	Equity
		Share capital	Supplementary capital	Revaluation reserve	Other reserves	Retained earnings	Total		
Equity as at 1 January 2014		**378**	**-**	**-**	**-**	**69 716**	**70 094**	**3 028**	**73 122**
Net profit		-	-	-	-	3 792	3 792	357	**4 149**
Other comprehensive income		-	-	-	-	-	-	-	**-**
Total comprehensive income		**-**	**-**	**-**	**-**	**3 792**	**3 792**	**357**	**4 149**
Share capital increase		853	206 664		-	-	207 517	-	207 517
Share-based payments		-	-	-	1 954	-	1 954	-	1 954
Payment of dividend		-	-	-	-	(17 453)	(17 453)	(159)	(17 612)
Recognition of option-related commitment to buy up non-controlling interests		-	-	-	(31 853)	-	(31 853)	**-**	(31 853)
Acquisition of a subsidiary		-	-	-	-	-	-	8 318	8 318
Total transactions with shareholders		**853**	**206 664**	-	**(29 899)**	**(17 453)**	**160 165**	**8 159**	**168 324**
Equity as at 31 December 2014		**1 231**	**206 664**	**-**	**(29 899)**	**56 055**	**234 051**	**11 544**	**245 595**

(in PLN'000)	Note	Equity attributable to equity holders of the Parent Company						Non-controlling interests	Equity
		Share capital	Supplementary capital	Revaluation reserve	Other reserves	Retained earnings	Total		
Equity as at 1 January 2014,		**378**	**-**	**-**	**-**	**69 716**	**70 094**	**3 028**	**73 122**
Profit before tax		-	-	-	-	580	580	251	831
Total comprehensive income		**-**	**-**	**-**	**-**	**580**	**580**	**251**	**831**
Share capital increase		853	206 664	-	-	-	207 517	-	207 517
Payment of dividend		-	-	-	-	(17 453)	(17 453)	(159)	(17 612)
Recognition of option-related commitment to buy up non-controlling interests		-	-	-	(31 853)	-	(31 853)		(31 853)
Acquisition of subsidiary		-	-	-	-	-		8 318	8 318
Total transactions with shareholders		**853**	**206 664**	**-**	**(31 853)**	**(17 453)**	**158 211**	**8 159**	**166 370**
Equity as at 30 September 2014		**1 231**	**206 664**	**-**	**(31 853)**	**52 843**	**228 885**	**11 438**	**240 323**

INTERIM CONSOLIDATED CASH FLOW STATEMENT

(in PLN'000)	Note	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014
Cash flows from operating activities			
Profit before income tax		**12 526**	**1 215**
Adjustments for:		**53 271**	**26 152**
Dividends received			
Amortization and depreciation		22 010	14 603
Losses on sale/scrapping of property, plant & equipment and intangible assets		305	219
Finance income and costs		17 615	12 490
Gain/loss on disposal of other financial assets		150	(1 112)
Revaluation of contingent liabilities arising from the business combinations		659	
Revaluation of commitments to purchase non-controlling interests		11 546	
Cost of the employee option scheme		1 045	-
Gain on a bargain purchase			(61)
Other adjustments		(59)	13
Changes in working capital		**(10 762)**	**(11 635)**
(Increase)/decrease in trade and other receivables	32	(856)	(1 069)
Increase/(decrease) in trade and other payables	32	(4 410)	(9 568)
IPO cost recognized in supplementary capital (aggio)		(4 917)	-
Increase/(decrease) in provisions	32	(579)	(998)
Income tax paid		(1 322)	(4 498)
Income tax refunded		3 907	
Net cash flows from operating activities		**57 620**	**11 234**
Cash flows from investing activities			
Sale of other financial assets and subsidiaries		8	8 489
Purchase of intangible assets and property, plant and equipment		(24 601)	(9 977)
Purchase of shares in a subsidiary		(32 614)	(357 555)
Purchase of other financial assets			(500)
Net cash flows from investing activities		**(57 207)**	**(359 543)**
Net cash flows from financing activities			
Payments due to share capital increase		108 888	203 504
Loans and advances received		219 500	176 831
Repayment of finance leases		(605)	(513)
Repayment of bank commissions		(5 674)	(3 755)
Interest paid		(11 860)	(5 465)
Repayment of IRS		(5 995)	-
Repayment of loans and advances received		(252 605)	(159)
Dividends distributed to shareholders		-	(14 149)
Dividends distributed to non-controlling shareholders		(659)	-
Net cash flows from financing activities		**50 990**	**356 294**
Total net cash flows		**51 403**	**7 985**
Cash and cash equivalents at the beginning of the period		**31 148**	**3 670**
Cash and cash equivalents at the end of the period		**82 551**	**11 655**

Notes to consolidated financial statements

1. GENERAL INFORMATION

The Wirtualna Polska Holding SA Capital Group ("the Group", "the Capital Group", "the Wirtualna Polska Holding Group") is composed of Wirtualna Polska Holding SA ("the Company", "the Parent Company", "Wirtualna Polska Holding") and its subsidiaries.

Until 21 March 2014, the Parent Company operated under the name Grupa o2 SA. The Parent Company's name was changed after acquiring control over Wirtualna Polska SA.

As at 30 September 2015 the Wirtualna Polska Holding Capital Group composed of the parent company and 16 consolidated subsidiaries.

Wirtualna Polska Holding SA and the remaining Capital Group's companies were formed for an indefinite period. The Group's core operations comprise sale of advertising services on the Internet and operating Internet portals such as WP.pl, o2.pl, Pudelek.pl, Domodi.pl, Money.pl, Kafeteria.pl, Biztok.pl, abcZdrowie.pl as well as providing electronic services (WP e-mail, o2 e-mail).

The Parent Company was registered in Poland and its seat is in Warsaw at Jutrzenki 137A.

2. BASIS OF PREPARATION OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These interim consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern, in accordance with IAS 34 "Interim Financial Reporting" ("IAS 34"). The accounting polices used in the preparation of the interim condensed consolidated financial statements for nine months ended 30 September 2015 are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2014.

The financial statements for the year ended 31 December 2014 have been prepared in accordance with IFRS standards which are binding in the European Union in the financial year ending 31 December 2015.

Consolidated statement of financial positions on 30 September 2015, consolidated income statement and other comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity for nine months period ended on 30 September 2015 was not audited. Consolidated financial statements on 31 December 2014 and for twelve months period ended 31 December 2014 were audited by independent certified auditor, who issued an unqualified opinion.

These condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2014.

3. APPROVAL FOR PUBLICATION OF CONSOLIDATED FINANCIAL STATEMENTS

These condensed interim consolidated financial statements have been approved by the Management Board of Wirtualna Polska Holding SA on 16 November 2015.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements in accordance with IFRS EU requires making the judgments, estimates and assumptions which affects the reported values of assets and liabilities and revenues and expenses in the period. Estimates and judgments are subject to a constant verification and are based on the previous experiences and other factors, including expectations on future events which seem rationale in this situation.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results.

The main accounting estimates and assumptions made in these condensed interim consolidated financial statements were the same as in financial statements for the year ended 31 December 2014.

	Accounting estimates and judgments
Allowance for doubtful debts	The Group verifies the recoverability of trade receivables and based on that estimates the amount of write-downs.
Income tax	The Group recognizes a deferred tax assets based on the assumption that a tax profit will be generated in the future enabling its utilization. Deterioration of tax results in the future might result in the assumption becoming unjustified.
Impairment tests	Goodwill and intangible assets were subject to an impairment test as at 31 December 2014. At the end of September 2015 the Management Board analyzed the potential triggers of impairment of these assets and did not identify the need for write-downs.
Useful lives of tangible and intangible assets	The useful lives and depreciation method are verified at least at each financial year end.
Litigation	The Group records provisions for pending litigation based on the actual status of cases and cost estimation prepared by the legal department conducting the cases. The provisions are recorded in an amount of claims and court fees the adjustment of which is probable in the Group's opinion.
Valuation of option-related commitment to buy out of non-controlling interests	Commitments in respect of put options for non-controlling interests are subsequently measured at the amount being the best present estimate of the discounted purchase price. The basic assumptions being the basis for the options' valuation are as follows: EBITDA, which constitutes the options exercise price, revenues and the discount rate. Changing forecasted revenue growth of 1p.p per year from 2015 to 2019 increases the value of liabilities by 3.2%. Changing the projected EBITDA margin of 1p.p per year from 2015 to 2019 increases the value of liabilities by 2.5%. Operating results of Domodi Sp. z o.o. for the first three quarters of 2015 exceeded significantly the budget underlying the valuation of the option liability. Therefore, the Management considered necessary to revise a long-term forecast for this company and consequently updated the valuation of the liability in the balance sheet. Any changes in the value of these liabilities, after the initial recognition, are presented in profit or loss.
Determining the value of trademarks and other intangible assets related to acquisitions	As part of the settlement of the acquired subsidiaries, the Group made significant estimates as to the valuation of intangible assets such as trademarks, client relationships, home page and WP e-mail. The estimates were based on revenues and costs to be generated by the acquired subsidiaries, as anticipated by the Group.
Estimate of annual rebates	As a part of cooperation with media houses, the Group grant annual rebates. These rebates are granted to media houses individually or in groups based on turnover value or percentage achieved. During the year the Group estimates annual rebates liabilities based on current turnover forecast and recognizes them as a reduction of revenues for the period. The final amounts of rebates are known after the end of the financial year and may differ from the estimates adopted during the period.

On 12 September 2014, the Group acquired 51% of shares in Domodi Sp. z o.o. Based on the following premises, the Group established that it has acquired control over Domodi Sp. z o.o.:

- All important decisions concerning significant activities of Domodi Sp. z o.o. are made by establishing and approving the budget (including subsequent amendments). The remaining decisions are protective in nature and not significant in the course of the normal operating activities;

The existence of control over subsidiaries – Domodi Sp. z o.o.

- 51% of the voting rights at the Shareholders' Meeting held by the Group and two out of three Supervisory Board members do not allow the Group to establish, approve and amend the budget on its own. However, the Group has the option to purchase the remaining 49% of shares in Domodi Sp. z o.o., in the event of the remaining shareholders not agreeing to establish, approve or amend the budget. The call option held by the Group constitutes significant potential voting rights in accordance with IFRS 10 because the Group will obtain benefits on exercising the option; the option's exercise price is not a barrier to its being exercised; the option can be exercised shortly after reaching an impasse.

Bearing in mind the above, the Group concluded that the significant potential voting rights give the Group control over Domodi Sp. z o.o.

Deferred tax asset related to transferring the business unit of WP SA

On 1 September 2014, a demerger of Wirtualna Polska SA was carried out. The demerger was carried out by transferring a business unit of Wirtualna Polska SA to Grupa Wirtualna Polska spółka z o.o. (the so-called spin-off). As a result of the demerger, the Editorial and Advertising Division was transferred to Grupa Wirtualna Polska spółka z o.o. (currently Grupa Wirtualna Polska SA) and the operations of the e-Commerce Centre are continued at Wirtualna Polska SA (currently WP Shopping Spółka z o.o.). Moreover, all assets and liabilities which were not clearly designated as remaining with Wirtualna Polska SA, shall go Grupa Wirtualna Polska spółka z o.o. (currently Grupa Wirtualna Polska SA).

As a result of the merger, the majority of Wirtualna Polska SA's assets and liabilities were transferred to Grupa Wirtualna Polska Sp. z o.o. (currently Grupa Wirtualna Polska SA). The transaction did not result in changing the tax value of the investment in this subsidiary, due to which a deductible temporary difference arose on the investment in an amount of PLN 71,682 thousand. Due to the fact that Grupa Wirtualna Polska Sp. z o.o. (currently Grupa Wirtualna Polska SA) does not plan to sell its shares in the foreseeable future, pursuant to IAS 12.44, no deferred tax asset was recorded on this temporary difference.

5. INFORMATION ON SEASONALITY IN GROUP'S OPERATIONS

Advertising revenues are subject to seasonality - revenues in the first and third quarters are lower than in the second and fourth quarters of the year.

Revenues other than advertising do not show significant seasonality.

6. SEGMENT REPORTING

As at the date of preparing these consolidated financial statements, sale of advertisements on the Internet is the Group's only operating segment. The Group's Management Board analyses its activities in detail only at the level of revenue streams. They are not operating segments. Operating results are only analyzed at the entire Group's level, i.e. the segment of advertisement sale on the Internet.

The Group's operating segments are presented consistently with the internal reporting submitted to the Parent Company's Management Board, which is the main body responsible for making operational decisions.

7. THE GROUP'S STRUCTURE

As at 30 September 2015 the Capital Group represented: parent company Wirtualna Polska Holding SA and 16 subsidiaries. Interim condensed consolidated financial statements comprise the Company and the following subsidiaries::

Lp.	Name	Location	% held shares		
			As at 30 September 2015	As at 31 December 2014	As at 30 September 2014
1	Grupa Wirtualna Polska Sp. z o.o.	Poland, Warszawa	100%	100%	100%
2	WP Shopping Sp. z o.o. (Wirtualna Polska S.A.)	Poland, Gdańsk	100%	100%	100%
3	Http Sp. z o.o.	Poland, Warszawa	100%	100%	100%
4	Free4Fresh Sp. z o.o.	Poland, Warszawa	100%	100%	100%
5	Money.pl Sp. z o.o.	Poland, Wrocław	100%	100%	-
6	Business Ad Network Sp. z o.o.	Poland, Wrocław	100%	100%	-
7	Businessclick Sp. z o.o.	Poland, Wrocław	100%	100%	-
8	Favore Sp. z o.o.	Poland, Wrocław	100%	100%	-
9	Legalsupport Sp. z o.o.	Poland, Kraków	100%	100%	-
10	Interaktywnie Sp. z o.o.	Poland, Wrocław	-	100%	-
11	Brand New Media Sp. z o.o.	Poland, Wrocław	100%	100%	-
12	dobreprogramy Sp. z o.o.	Poland, Wrocław	51%	51%	51%
13	DOMODI Sp. z o.o.	Poland, Wrocław	51%	51%	51%
14	WP1 Sp. z o.o.	Poland, Warszawa	100%	-	-
15	Finansowysupermarket Sp. z o.o.	Poland, Warszawa	100%	-	-
16	Web Broker Sp. z o.o.	Poland, Warszawa	100%	-	-
17	Blomedia.pl Sp. z o.o.	Poland, Warszawa	100%	-	-

All members of the Group are focused on selling advertisements in the Internet, except for http Sp. z o.o. and Free4Fresh Sp. z o.o., which conduct publishing operations (Internet portals) and sell their services within the Group.

Wirtualna Polska SA, shares in Domodi Sp. z o.o., Sportowe Fakty Sp. z o.o. and the Money.pl Sp. z o.o. Capital Group were acquired in 2014. The Money.pl Group is composed of the following entities: Money.pl Sp. z o.o., Business Ad Network Sp. z o.o., Businessclick Sp. z o.o., Favore Sp. z o.o., Legalsupport Sp. z o.o. and Brand New Media Sp. z o.o. On 15 June 2015, Money.pl Spółka z o.o. sold 100% shares of Interaktywnie.com Sp. z o.o.

In the first half of 2015 the Group also sold shares of Kupbon SA representing 6 % of the total number of shares of this company and minority stake in Szopuje Sp. z o.o. These transactions had no material effect on the activity of a whole Group.

On 3 June 2015 the Group bought 100% of shares in NextWeb Media Sp. z o.o., which holds 100% of shares in Blomedia Sp. z o.o.
On 16 September 2015, Money.pl Sp. z o.o., a subsidiary of the parent company, finalized the purchase of 100% shares in Finansowysupermarket.pl Sp. z o.o. which holds 100% of shares in Web Broker Sp. z o.o.

By the date of this Report, the composition of the Group has changed as follows:

- on 6 October 2015 Domodi Sp. z o.o., a subsidiary of the parent company, finalized the purchase of 100% of shares in Allani Sp. z o.o., the publisher of services allani.pl and allani.com.br.

- on 13 October 2015 the company Grupa Wirtualna Polska Sp. z o.o. was transformed into a joint-stock company pursuant to article 551 et seq. of the Polish Commercial Companies Code;
- on 30 October 2015 companies http Sp. z o.o. and Free4Fresh Sp. z o.o. merged pursuant to article 492 section 1 item 1 of the Polish Commercial Companies Code, by transferring all assets of Free4Fresh Sp. z o.o. to http Sp. z o.o.

8. EVENTS WITH SIGNIFICANT IMPACT ON BUSINESS AND FINANCIAL RESULTS OF THE GROUP IN THE THREE QUARTERS OF 2015

In the period under analysis the following significant factors had an impact on the Group's financial and operating results:

- material acquisitions made by the Group in the prior year;
- increased effectiveness resulting from the use of Group's data resources and big data tools;
- costs of funding related to the acquisition of Wirtualna Polska SA and further acquisitions.

Material acquisitions made by the Group in prior periods

In the prior year the Group acquired other entities operating on the internet advertising and e-commerce markets, including generating leads on the e-commerce market. The Group acquired shares in Wirtualna Polska SA, Domodi Sp. z o.o. and Money.pl Spółka z o.o. as well as enterprise Sportowe Fakty. The acquisitions referred to above had a significant impact on the increase in Group revenues and EBITDA compared with the same period of the prior year.

The Group's consolidated revenues for the three quarter of 2015 amounted to PLN 223,520 thousand compared with PLN 131,605 thousand for the corresponding period of 2014. EBITDA amounted to PLN 63,019 thousand in the current period, compared with PLN 28,162 thousand in the same period of the prior year. Adjusted EBITDA (adjusted by one-off events comprising: transaction costs relating to the public offering and acquisitions, net result on settlements of barter transactions, income from revaluation of non-operational provisions, fixed assets, costs of the Management Options Scheme) amounted to PLN 74,434 thousand in the analyzed period compared with PLN 52,875 thousand in the same period of the prior year.

Increase in effectiveness as a result of using the Group's data resources and big data tools

The Group has one of the largest databases of real users of internet portals and the largest database of real email users in Poland. Achieving the highest rank in the number of real email users was possible thanks to – among other things – acquisitions and business combinations made by the Group in 2014.

Having a large number of service and content users gives the Group access to information on user behavior, within the limits set by the provisions of the law. Thanks to access to a large amount of data on user behaviors (in particular on content and services used by users) and the progress in possibilities of analyzing extensive data resources, which was made in recent years (tools for analysis of large and diverse data sets, generated with high frequency, so called big data), the Group has a significant potential for increasing its operating effectiveness, among other things, through the personalization of content, and personalization of advertisements which are more effective, by eliminating the advertisements of products in which a given user is not interested. Increasing the effectiveness of the personalization of advertisements consists, among other things, of increasing the number of clicks on the advertisements as a result of displaying them to the users. A larger number of clicks on an advertisement enables the Group to earn higher revenue in the event of settlements according to the effectiveness model.

Borrowings related to the acquisition of Wirtualna Polska SA and further acquisitions

With reference to the acquisition of Wirtualna Polska SA (currently WP Shopping Sp. z o.o.) made on 13 February 2014 and the Group's further acquisitions, the Group concluded a loan agreement based on which it was granted loans in the total amount of up to PLN 270 million, of which PLN 175 million was earmarked for the purchase of Wirtualna Polska SA. The remaining part of the purchase price of Wirtualna Polska SA was financed with funds paid in to the Group by European Media Holding S.a r.l. in the form of a capital increase. On 19 September 2014 the Group used another tranche of the loan of PLN 1.8 million to develop technical infrastructure. On 1 and 12 December 2014 the Group used the loan tranche of PLN 47.0 million to purchase shares in Money Sp. z o.o. and its subsidiaries, and PLN 3.3 million to develop technical infrastructure.

Until 8 April 2015 the amount due in respect of the loan bore an interest rate of 6M WIBOR plus the margin specified in the agreement, dependent on the ratio of the Group net debt to EBITDA. Additionally, until 7 April 2015, Grupa Wirtualna Polska Spółka z o.o. (currently Grupa Wirtualna Polska SA) had an interest rate swap contract concluded with Bank Pekao in respect of PLN 130 million, under which the variable interest rate on the above portion of the loan dues was swapped for a fixed interest rate. In consequence, in respect of the portion of the loan which was not hedged with the interest rate swap, the Group was exposed to risk related to a change in the interest rate as a result of a change in the 6M WIBOR.

On 24 March 2015, Grupa Wirtualna Polska Sp. z o.o. terminated the previous loan agreement concluded with Bank Pekao and ING Bank Śląski on 12 December 2013. Due to the early termination of the agreement the Group was obliged to pay commission on early repayment in the amount of PLN 1,996 thousand.

The finance costs for current period of 2015 also include PLN 4,205 thousand in respect of arrangement fees incurred on the origination of the previous loan, which are deferred over the period of the loan by accounting for interest on the loan using the effective interest rate.

On 24 March 2015, Grupa Wirtualna Polska Sp. z o.o., and mBank SA and ING Bank Śląski SA concluded a loan agreement to refinance the current debt, finance capital expenditure and acquisitions, and the bank overdraft, on the basis of which they granted a loan to Grupa Wirtualna Polska Sp. z o.o. in the total amount of up to PLN 279.5 million.
The new loan bears an interest rate of 3M WIBOR plus the margin specified in the agreement.

Additionally, on 28 April 2015, Grupa Wirtualna Polska Sp. z o.o. concluded interest swap agreements with mBank and ING Bank Śląski swapping the variable interest rate on the new loan to a fixed interest rate. Jointly, these contracts hedge interest rates for the equivalent of PLN 43.5 million of the A tranche of the loan and PLN 77.2 million of the B tranche of the loan. These financial instruments are treated as hedge accounting and were recognized in the financial statements of the Group as cash flow hedge under IAS 39. On each balance sheet date the Group indicates effective and ineffective part of hedge according to rules of IAS 39.95. The effective part of cumulated gain/loss (change of fair value) from the instrument is recognized in other comprehensive income. The ineffective part of cumulated gain/loss (change of fair value) from the instrument is presented in financial revenues/costs of the period under consideration. Since the hedging instruments are in total compliance in respect of both the interest periods and the amortization, the effectiveness tests conducted in the period of three quarters of 2015 have shown full effectiveness of the hedge. The table below shows the presentation of the hedging instruments held by the Group as at 30 September 2015 in consolidated balance sheet.

(in PLN'000)	As at 30 September 2015
Long-term liabilities from valuation of IRS	(2 219)
Revaluation reserve	2 219

As at 30 September 2015 the balance of the Group's liability resulting from loan agreement amounted to PLN 184 million.

In three quarters of 2015 the Group's interest expenses, the bulk of which resulted from interest on the bank loan, amounted to PLN 8,161 thousand. The amount of these costs in consecutive periods, to the extend not hedged, will depend on WIBOR 3M which was 1.73% as at 30 September 2015.

Apart from the factors referred to above during the nine months ended on 30 September 2015 there were no extraordinary factors and events which would have a significant impact on the financial results achieved.

9. SIGNIFICANT EVENTS WHICH TOOK PLACE IN NINE MONTHS OF 2015

Refinancing of the Group's debt

On 24 March 2015, Grupa Wirtualna Polska Sp. z o.o. terminated the previous loan agreement concluded with Bank Pekao and ING Bank Śląski on 12 December 2013. The whole debt under the previous loan agreement and its refinancing took place 8 April 2015. Detailed information about the transaction are described in Note 24.

Acquiring two Internet radio platforms: OpenFM and PolskaStacja

On 25 May 2015, Grupa Wirtualna Polska Spółka z o.o. acquired two independent Internet radio platforms: OpenFM – from GG Network S.A. and PolskaStacja – from Polska Stacja s.c. This investment makes the Group the leader in the Internet radio segment, which has one of the highest content consumption time per user. OpenFM and PolskaStacja with a total number of 755 thousand users and almost 90 million domestic views per month, are jointly the leader in this popular online service, and being at the same time Internet radio stations, involve mobile internet users to the greatest extend. The total price for the internet platforms purchased amounted to PLN 4.0 million. The WP Group expects to increase revenues from these services significantly as a result of better use of the available advertising space, monetized primarily by pre-roll video, and audio and banner advertising.

Purchase of shares in NextWeb Media Sp. z o.o

On 3 June 2015 Wirtualna Polska Holding S.A. finalized the purchase of 100% shares in NextWeb Media Group, the publisher of services abcZdrowie.pl, Parenting.pl and creator of blogging platform Blomedia.pl.
The group's leading products acquired together with NextWeb Media Sp. z o.o. Group are the services abcZdrowie.pl, one of the most popular health-related websites in Poland, and Parenting.pl, a modern service for parents. Along with NextWeb Media Group the company Blomedia.pl Sp. z o.o. was acquired, which runs a content marketing platform that connects independent and opinion-forming authors. This network brings together a total of 600 blogs in the following categories: fashion, cooking, new technologies, motoring, travel, and parenting.
The purchase price for 100% shares in NextWeb Media Group (including the purchase price adjustment after final calculation of net debt of acquired companies) was PLN 19,300 thousand. According to the share purchase agreement, the previous shareholder will be entitled to three rounds of additional remuneration. The first tranche of PLN 3,500 thousand nominal value may be paid by the end of 2016, provided NextWeb Media reaches EBITDA level, calculated for twelve months following the acquisition, indicated in the agreement. The second and third tranches will be calculated as a percentage of estimated future value of NextWeb Media Sp. z o.o calculated on the basis of EBITDA and revenues as at 31 December 2016 and 30 June 2018 respectively.

On 31 August 2015, Grupa Wirtualna Polska Sp. z o.o. and NextWeb Media Sp. z o.o. merged by transferring of all assets of NextWeb Media Sp. z o.o. to Grupa Wirtualna Polska Sp. z o.o. (merger by acquisition).

Detailed information about purchase price paid and the fair values of acquired assets and liabilities at the acquisition date are presented in Note 20 to the financial statements.

Purchase of shares in Finansowysupermarket.pl Sp. z o.o

On 16 September 2015 Money.pl Sp. z o.o., a subsidiary of the parent company, finalized a purchase of 100% shares in Finansowysupermarket.pl Sp. z o.o. which holds 100% of shares in Web Broker Sp. z o.o.

Finansowysupermarket.pl Sp. z o.o. owns a fully independent comparison engine of financial products, which cooperates with more than 70 financial institutions in Poland. In its portfolio it has offers of loans, fast loans, deposits, cards, accounts, insurances, savings and investment products. Web Broker Sp. z o.o. is the owner of the website jedenwniosek.pl, a comparison engine of loans in several banks in Poland.

The purchase price for 100% shares in Finansowysupermarket.pl Sp. z o.o. amounted to PLN 12,319 thousand.

Moreover, as a part of the settlement Money.pl Sp. z o.o. was obliged to repay the Web Broker's liabilities to the previous owners due to loans in the total amount of PLN 200 thousand. The repayment of Web Broker's liabilities was made on the date of the share purchase agreement.

Detailed information about purchase price paid and the fair values of acquired assets and liabilities at the acquisition date are presented in Note 20 to the financial statements.

10. SALES REVENUE

(in PLN'000)	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014	For the three months ended 30 September 2015	For the three months ended 30 September 2014
Sales of advertising services	212 581	121 576	74 470	47 149
non-barter transactions	185 678	104 597	64 837	40 079
barter transactions	26 903	16 979	9 633	7 070
Sales of non-advertising services	10 939	10 029	3 776	5 188
Total	**223 520**	**131 605**	**78 246**	**52 337**

(in PLN'000)	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014	For the three months ended 30 September 2015	For the three months ended 30 September 2014
Domestic sales	185 106	111 433	66 119	42 809
Export sales	38 414	20 172	12 127	9 528
European Union	32 015	14 393	10 275	7 393
Outside EU	6 399	5 779	1 852	2 135
Total	**223 520**	**131 605**	**78 246**	**52 337**

Due to significant changes in Group structure in 2014, the sales revenues and costs reported for the period from 1 January to 30 September 2014 and the third quarter of 2014 are not fully comparable with the data presented for the corresponding period of current year. Significant changes in the Group's results are mainly due to acquisitions made by the Group in 2014: the acquisition of Wirtualna Polska S.A (currently WP Shopping Sp. z o.o.), enterprise Sportowe Fakty, shares in Domodi Spółka z o.o. and Money.pl Capital Group. Since the effect of acquisitions makes it significantly more difficult to compare the periods and analyze the Group's results, in order to improve the presentation of the changes that took place in the nine months and in the third quarter of 2015 and 2014, the Management Board decided to present in this Report also the pro forma financial results for the period from 1 January to 30 September 2014 and for the period from 1 July to 30 September 2014. A detailed analysis is presented in Management Board's commentary in section **Discussion of operating results and financial position**.

The Group's EBITDA is calculated as operating profit plus depreciation and amortization, and the Group's adjusted EBITDA is calculated as EBITDA adjusted for one-off events, including: transaction costs related to the public offering and acquisitions, result on barter transactions, income from revaluation of non-operational provisions, revaluation of non-current assets and costs of the management option scheme. EBITDA and adjusted EBITDA are presented because in the Group's opinion they are a useful measure of the results of operations. The EBITDA and adjusted EBITDA ratios are not defined by IFRS and should not be treated as an alternative to the profit/(loss) categories provided for in IFRS as a measure of operating results nor as a measure of cash flows from operating activities based on IFRS. Neither can they be treated as a liquidity ratio.

The following table presents the reconciliation of profit before income tax to EBITDA and adjusted EBITDA ratio as well as the reconciliation of gross profit to adjusted gross profit.

(in PLN'000)	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014	For the three months ended 30 September 2015	For the three months ended 30 September 2014
Profit before income tax	**12 526**	**1 215**	**(924)**	**1 255**
Finance costs	17 615	12 490	3 645	4 715
Finance income	(678)	(146)	(329)	(21)
Revaluation of commitments to purchase non-controlling interests	11 546	-	11 546	
Operating profit	**41 009**	**13 559**	**13 938**	**5 949**
Amortization and depreciation	22 010	14 603	7 525	6 097
EBITDA	**63 019**	**28 162**	**21 463**	**12 046**
Adjustments including:				
Restructioning and transaction cost – external services	5 787	16 146	556	5 284
Employment restructuring costs	1 159	6 613	192	2 012
Restructioning and transaction cost – other operation expenses	1 630	3 075	390	616
Costs of the employee option scheme	1 045	-	349	-
Gain/loss on disposal of other financial assets	150	(1 112)	-	-
Net result on barter transaction settlement	1 339	(24)	2 127	2 221
Revaluation and scrapping of non-current assets	305	15	37	-
Other	-	-	-	(38)
Adjusted EBITDA	**74 434**	**52 875**	**25 114**	**22 141**

The adjusted profit before tax of the Group is calculated as profit before tax adjusted for one-off events, comprising: transaction costs related to the public offering and acquisitions, result on settlement of barter transactions, income from revaluation of non-operational provisions, revaluation of non-current assets, costs of the management option scheme and valuation of interest rate hedging instrument as well as costs recognized due to refinancing of the Group's debt. The adjusted profit before tax is not defined by IFRS and should not be treated as an alternative to the profit/(loss) categories provided for in IFRS as a measure of operating results nor as a measure of cash flows from operating activities based on IFRS. Neither can it be treated as a liquidity ratio.

(in PLN'000)	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014	For the three months ended 30 September 2015	For the three months ended 30 September 2014
Profit before income tax	**12 526**	**1 215**	**(924)**	**1 255**
Adjustments including:				
Restructioning and transaction cost – external services	5 787	16 146	556	5 284
Employment restructuring costs	1 159	6 613	192	2 012
Restructioning and transaction cost – other operation expenses	1 630	3 075	390	616
Costs of the employee option scheme	1 045	-	349	-
Gain/loss on disposal of other financial assets	150	(1 112)		-
Net result on barter transaction settlement	1 339	(24)	2 127	2 221
Revaluation and scrapping of non-current assets	305	15	37	-
Revaluation of commitments to purchase NCI Domodi	11 546	-	11 546	-
Financial expenses in connection with loan refinancing	6 201	-	-	-
Valuation of hedging instrument IRS	341	4 713	-	1 605
Other	-	-	-	(38)
Adjusted profit before tax	**42 029**	**30 641**	**14 273**	**12 955**

In the Group's Management Board opinion, the result on barter transactions does not form a basis for evaluating the results realized during the period. Due to the equivalence of mutual benefits arising from barter transactions, such transactions are offset over a longer period, although temporarily a positive or a negative result might be recognized. Some barter transactions are executed in different reporting periods but the result on the individual contracts over their entire period is equal to zero.

11. OTHER OPERATING INCOME/GAINS

(in PLN'000)	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014	For the three months ended 30 September 2015	For the three months ended 30 September 2014
Revenues from grants	328	-	-	-
Liabilities expired and forgiven	-	-	(5)	-
Repayment of previously written off receivables	80	-	37	-
Reversal of provisions (lawsuits)	-	-	(56)	-
Other	258	604	105	415
Total	**666**	**604**	**81**	**415**

12. OTHER OPERATING EXPENSES

(in PLN'000)	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014	For the three months ended 30 September 2015	For the three months ended 30 September 2014
Representation and other costs by type	1 641	760	782	301
Write-downs of receivables	582	543	132	(742)
Taxes and charges	1 444	795	466	452
Provisions recorded/released	111	-	111	-
Impairment and liquidation of non-financial assets	305	219	37	204
Penalties, fines and compensation	9	2 534	9	75
Additional contingent consideration araising from the aqusition	827	-	56	-
Other	830	719	230	494
Total	**6 653**	**5 570**	**2 727**	**784**
including:				
Restructuring related costs	1 630	3 075	390	616
Other operating expenses	4 119	2 495	1 433	168

13. FINANCE INCOME

(in PLN'000)	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014	For the three months ended 30 September 2015	For the three months ended 30 September 2014
Interest income	678	143	363	28
Other	-	3	(34)	(7)
Total	**678**	**146**	**329**	**21**

14. FINANCE COSTS

(in PLN'000)	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014	For the three months ended 30 September 2015	For the three months ended 30 September 2014
Interest and commissions	8 161	7 581	2 266	3 424
Valuation of hedging instruments IRS	341	4 712	-	1 604
Reversal of discount on investment liabilities	2 432	-	1 276	-
The costs of early loan repayment	6 201	-	-	-
Other	480	197	103	(313)
Total	**17 615**	**12 490**	**3 645**	**4 715**

Due to the early termination of the loan agreement, the Group was obliged to pay a commission for early repayment of PLN 1,996 thousand. Furthermore, the costs of early repayment also included PLN 4,205 thousand in respect of arrangement fees incurred on the origination of the previous loan, which had to be deferred over the period of the loan by accounting for interests using the effective interest rate.

15. CORPORATE INCOME TAX AND DEFERRED TAX

(in PLN'000)	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014	For the three months ended 30 September 2015	For the three months ended 30 September 2014
Current income tax	**1 771**	**365**	**751**	**(3 269)**
For the financial year	1 551	365	769	(3 041)
Adjustments relating to prior years	220	-	(18)	(228)
Deferred tax	**4 420**	**18**	**1 590**	**3 753**
Temporary differences arising and reversed	4 420	18	1 590	3 753
Total corporate income tax	**6 191**	**383**	**2 341**	**484**

The notional amount of corporate income tax on profit before tax of the Group differs as follows from the income tax amount shown in the profit or loss::

(in PLN'000)	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014	For the three months ended 30 September 2015	For the three months ended 30 September 2014
Profit before income tax	**12 526**	**1 215**	**(924)**	**1 255**
Corporate income tax at the statutory rate of 19%	**2 380**	**231**	**(176)**	**238**
Tax effects of the following items:	**-**	**-**	-	-
Non- deductible cost and non-taxable income	549	332	-	646
Revaluation of commitments to purchase non-controlling interests	-	-	-	2 194
Non-disclosed asset on tax losses	132	409	104	409
Deferred tax losses from previous years	-	(140)	-	(140)
Income only for tax purposes	(16)	(145)	(16)	140
Other	635	28	481	50
Previous years adjustments	220	-	(9)	-
Income tax	**6 191**	**383**	**2 341**	**484**

Change in deffered tax asset

(in PLN'000)	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014	For the three months ended 30 September 2015	For the three months ended 30 September 2014
At beginning of the period	1 153	47 155	1 473	49 512
Credit to/charge on the financial result	299	6 056	(21)	3 699
Netting assets and liabilities	-	(50 889)	-	(50 889)
Asset recognised on business combination	43	203	43	203
At the end of the period	**1 495**	**2 525**	**1 495**	**2 525**

Changes in deferred tax liabilities

(in PLN'000)	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014	For the three months ended 30 September 2015	For the three months ended 30 September 2014
At beginning of the period	7 410	1 009	7 038	46 727
Credit to/charge on the financial result	4 719	6 074	4 719	5 922
Netting assets and liabilities	-	(50 889)	-	(50 889)
The provision resulting from the business combinations	3 315	47 689	3 315	2 123
At the end of the period	**15 444**	**3 883**	**15 072**	**3 883**

Table below presents titles for deferred tax asset and liability.

(in PLN'000)	As at 30 September 2015	As at 31 December 2014
Deferred tax asset		
Change in tax values of assets as a result of internal reorganization of the Group	28 350	32 843
Unutilized tax losses	10 063	13 475
Write-downs of assets	1 413	1 523
Differences in tax and carrying amounts of liabilities	7 074	4 594
Other differences	-	86
Other provisions	310	
Other	182	
Deferred tax asset	**47 392**	**52 521**
Deferred tax provision:		
Difference between the carrying and tax values of non-current assets	60 714	58 707
Other	627	71
Deferred tax liability	**61 341**	**58 778**
Deferred tax asset/liability, net	**(13 949)**	**(6 257)**

(in PLN'000)	As at 30 September 2015	As at 31 December 2014
Offsetting of deferred tax liability	(45 897)	(51 368)
Deferred tax asset after offsetting	**1 495**	**1 153**
Deferred tax liability after offsetting	**15 444**	**7 410**

Tax settlements and other regulated areas of activities (for example, customs or foreign currency issues) may be subject to inspections by administrative bodies which are entitled to impose high penalties and sanctions. The lack of reference to established legal regulations in Poland results in ambiguities and inconsistencies in the binding regulations. Frequent differences of opinion as to the legal interpretation of tax regulations, both internally within the state bodies and between the state bodies and enterprises, result in areas of uncertainty and conflict arising. Due to these factors the tax risk in Poland is considerably higher than that usually existing in countries with better developed tax systems. Tax settlements may be subject to inspections within 5 years from the end of the year in which tax was paid. As a result of inspections, the Group's tax settlements may be increased by additional tax liabilities. The Group is of the opinion that as at 30 September 2015 there were no premises to record a provision against identifiable and measurable tax risk.

16. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares in issue during the year. The dilutive items include shares under the option scheme (Note 22).

(in PLN'000)	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014
Net profit attributable to equity holders of the Parent Company	**5 410**	**581**
Weighted average number of shares shown for the purpose of calculating basic earnings per share	26 691 284	22 103 944
Effect of diluting the number of ordinary shares	524 201	-
Weighted average number of ordinary shares shown for the purpose of calculating diluted earnings per share	27 215 485	22 103 944
Basic (in PLN)	0,20	0,03
Diluted (in PLN)	*0,20*	*0,03*

17. CHANGES IN ALLOWANCES FOR ASSETS

During the nine months ended 30 September 2015 the Group adjusted the value of allowances for trade receivables by 582 thousand PLN, of which PLN 132 thousand were recognized in the third quarter.

In the nine months of 2015 no allowance for tangible fixed assets have been recorded or reversed.

In the nine months of 2015 write-downs on intangible assets have been created in the amount of PLN 125 thousand. All movements in write-downs of intangible assets were in second quarter of 2015.

18. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

In the period from 1 January 2015 until 30 September 2015 the Group purchased tangible assets with a value of PLN 12 million, of which PLN 4.5 million were purchased in the third quarter of 2015.

In the period from 1 January 2015 until 30 September 2015 the Group also purchased intangible assets with a value of PLN 34.7 million, of which PLN 11.1 million were purchased in the third quarter of 2015. As part of the acquisition of subsidiaries, the Group purchased intangible assets of PLN 21.5 million (Note 20).

As at 30 September 2015 and also as at 31 December 2015 the Group did not have any significant commitments to purchase property, plant and equipment as well as intangible assets.

19. GOODWILL

The following table presents the allocation of goodwill at consolidated subsidiaries:.

(in PLN'000)	As at 30 September 2015	As at 31 December 2014
Grupa Wirtualna Polska Sp. z o.o.	92 040	92 040
Grupa Kapitałowa Money.pl Sp. z o.o.	19 740	19 851
NextWeb Media Sp. z o.o. (since 03.06.2015)	18 684	-
Finansowy supermarket.pl sp. z o.o.	5 778	
dobreprogramy Sp. z o.o.	3 593	3 593
DOMODI Sp. z o.o.	9 349	9 349
HTTP Sp. z o.o.	180	180
Goodwill (gross)	**149 364**	**125 013**
Impairment of goodwill:		
HTTP Sp. z o.o.	(180)	(180)
Goodwill (net)	**149 184**	**124 833**

In case of Domodi Sp. z o.o, Money.pl Capital Group, NextWeb Media Capital Group and Finansowysupermarket.pl the goodwill presented above is based on provisional settlement of purchase price as at 30 September 2015.
In the analyzed period the provisional goodwill on acquisition of Money Capital Group was reduced by PLN 111 thousand due to adjustment decreasing the purchase price by PLN 320 thousand and recognition of additional provision of PLN 209 thousand.

20. MERGERS AND ACQUISITIONS

Mergers and acqusitions in 2015 - NextWeb Media Sp. z o.o. and Finansowysupermarket.pl Sp. z o.o.

NextWeb Media Sp. z o.o.

On 3 June 2015 the Group purchased 100% shares in NextWeb Media Sp. z o.o. (further NWM) together with its subsidiary i.e. Blomedia Sp. z o.o. NWM is mainly engaged in internet services and selling advertising on the Internet. Goodwill on acquisition determined provisionally in the amount of PLN 18,684 thousand is attributable to the client base acquired and economies of scale expected as a result of the combination of the Group's operations with those of NWM. No portion of goodwill recorded will be deductible for income tax purposes. The fair value of trade and other receivables is PLN 2,253 thousand and comprises trade receivables with a fair value of PLN 2,066 thousand and the contractual gross amount of PLN 2,236 thousand, of which – according to estimations – PLN 170 thousand are uncollectible.

Costs related to the acquisition of PLN 540 thousand were presented in the consolidated income statement and other comprehensive income for the period of nine months ended 30 September 2015 in section "external services costs related to public offering and acquisitions of subsidiaries".

According to the share purchase agreement, the previous shareholder will be entitled to three rounds of additional remuneration. The first tranche of PLN 3,500 thousand nominal value may be paid by the end of 2016, provided NextWeb Media reaches EBITDA level, calculated for twelve months following the acquisition, indicated in the agreement. The second and third tranches will be calculated as a percentage of estimated future value of NextWeb Media Sp. z o.o as at 31 December 2016 and 30 June 2018 respectively. Total discounted value of the additional contingent liability recognized in relation to business combination amounted to PLN 12,377 thousand as at 30 September 2015.

On 31 August 2015, Grupa Wirtualna Polska Sp. z o.o. and NextWeb Media Sp. z o.o. merged by transferring of all assets of NextWeb Media Sp. z o.o. to Grupa Wirtualna Polska Sp. z o.o. Group (merger by acquisition).

Finansowysupermarket.pl Sp. z o.o.

On 16 September 2015 Money.pl Sp. z o.o., a subsidiary of the parent company, finalized a purchase of 100% shares in Finansowysupermarket.pl Sp. z o.o. which holds 100% of shares in Web Broker spółka z ograniczoną odpowiedzialnością with its registered office in Warsaw.

Goodwill on acquisition determined provisionally in the amount of PLN 5,778 thousand is attributable to the client base acquired and economies of scale expected as a result of the combination of the Group's operations with two acquired entities. No portion of goodwill recorded will be deductible for income tax purposes. The fair value of trade and other receivables is PLN 2,358 thousand. As at the date of taking over control, there were no receivables considered as uncollectible.

The purchase price for 100% shares in Finansowysupermarket.pl amounted to PLN 12,319 thousand. Moreover, as a part of the settlement Money.pl Sp. z o.o. was obliged to repay the Web Broker's liabilities to the previous owners due to loans in the total amount of PLN 200 thousand. The repayment of Web Broker's liabilities was made on the date of the share purchase agreement.

Costs related to the acquisition of PLN 218 thousand were presented in the consolidated income statement and other comprehensive income for the period of nine months ended 30 September 2015 in section "external services costs related to public offering and acquisitions of subsidiaries".

The table below shows the consideration paid and the fair values of acquired assets and liabilities at the acquisition date.

(in PLN'000)	NextWeb Media Sp. z o.o.	Finansowysupermarket Sp. z o.o.
Consideration at the acquisition date		
Cash payment for the shares	19 381	12 319
Advance payment for contingent consideration	1 219	-
Long- term contingent consideration	11 837	-
Other liability - additional capital contribution	100	-
Total	**32 537**	**12 319**
Recognition of identifiable acquired assets and liabilities		
Cash and cash equivalents	48	457
Property, plant and equipment	87	8
Trademarks	4 970	-
Client relations	8 620	5 551
Copyrights and other intangible assets	2 211	233

Trade and other receivables	2 253	2 358
Loans	-	(200)
Trade and other payables	(2 062)	(811)
Deferred tax	(2 217)	(1 055)
Provisions for employee benefits	(57)	-
Total net identifiable assets	**13 853**	**6 541**
Goodwill	**18 684**	**5 778**

These consolidated financial statements include results on above mentioned acquisitions from the date of taking over control to 30 September 2015. The impact of these acquisitions on consolidated Capital Group's results is as follows:

(w PLN'000)	Finansowysupermarket.pl Sp. z o.o.	Web Broker Sp. z o.o.	Blomedia Sp. z o.o.	NextWeb Media Sp. z o.o.	Total
Sales	504	111	847	1 196	2 657
EBITDA	58	(38)	(203)	62	(121)
Adjusted EBITDA	58	(38)	(173)	62	(91)
Net profit	30	(40)	(311)	(187)	(508)

For information purposes, presented below are the unaudited results of NextWeb Media Capital Group and Finansowysupermarket (including Web Broker Sp. z .o.o.) from 1 January 2015 to the date of taking over the control, taken from the separate financial statements of those entities.

(in PLN'000)	NextWeb Media from 1 January to 3 June 2015	Finansowysupermarket from 1 January do 16 September 2015
Sales	**2 710**	**4 482**
Amortization and depreciation	(532)	(58)
Materials and energy used	(45)	(56)
Other external services	(2 153)	(2 289)
Other salary and employee benefit expenses	(1 103)	(1 368)
Other operating expenses	(781)	(28)
Other operating income/gains	57	2
Gain/loss on disposal of other financial assets	588	-
Operating profit	**(1 259)**	**684**
Finance income	13	1
Finance costs	(47)	-
Profit before tax	**(1 293)**	**685**
Income tax	43	(120)
Net profit	**(1 250)**	**565**

21. SHARE CAPITAL

On 14 January 2015, the Extraordinary General Meeting passed a resolution on changing the marking of the share series, changing part of the ordinary shares into preference shares with preferential voting rights, and amending the Articles of Association. On the basis of this resolution two new share series were introduced in place of the former A, B and C series - A and B series. The following shares were marked as A series shares: (i) all the former A series shares; (ii) 3,801,197 B series shares; and (iii) all the former C series shares, and the following shares were marked as the new B series shares: 12,221,811 of the former B series shares. The resolution also stipulated that A series shares (pursuant to the new marking) will be preferred shares, so that two votes will be attributed to one A series share.

Moreover, the Extraordinary General Meeting of 14 January 2015 passed a resolution on increasing the Company's share capital by issuing C-series shares, cancelling the pre-emptive rights of the then shareholders of the Company to all C-series shares and amending the Articles of Association. Pursuant to the above-mentioned resolution, the Company's share capital was increased by PLN 15 thousand to PLN 1,245 thousand by issuing 300,518 ordinary new C-series bearer shares with a par value of PLN 0.05 each. The ordinary C-series bearer shares were taken up under the incentive scheme (see Note 22) at the issue price of PLN 0.05 – 145,436 shares, and of PLN 12.17 – 156,082 shares.

Moreover, the Extraordinary General Meeting of 14 January 2015 passed a resolution on the contingent increase of the Company's share capital by issuing D-series ordinary shares and issuing B-series subscription warrants, cancelling the pre-emptive rights of the then shareholders of the Company and amending the Articles of Association. Pursuant to the above-mentioned resolution, the Company's share capital was conditionally increased by no more than PLN 46 thousand by issuing not more than 929,058 ordinary new D-series bearer shares with a par value of PLN 0.05 each. The ordinary D-series bearer shares can be taken up solely by the holders of B-series subscription warrants under the incentive scheme (see Note 22) at the issue price of PLN 12.17.

Furthermore, the Extraordinary General Meeting of 14 January 2015 passed a resolution on increasing the Company's share capital by issuing E-series ordinary shares, cancelling the pre-emptive rights of the then shareholders and amending the Articles of Association. The E-Series Shares will be issued in the form of open subscription carried out through a public offering. The E-Series Shares were offered on terms specified in the prospectus, in connection with the admission and introduction of the Company's shares to trading on the regulated market conducted by the Warsaw Stock Exchange

On 5 March 2015, the Extraordinary General Meeting adopted a resolution on a conditional increase of the Company's share capital with the exclusion of the pre-emptive rights of the existing shareholders and the amendment of the Articles of Association as well as the admission and introduction to trading and dematerialization of the new shares. Pursuant to the above-mentioned resolution, the Company's share capital was conditionally increased by no more than PLN 29,675.55 through the issuance of no more than 593,511ordinary new series F shares with a nominal value of PLN 0.05 each. The ordinary series F bearer shares will be subscribed for by the holders of subscription warrants by way of a private placement within the scope of the New Incentive.

On May 7, 2015 12,221,811 the Company's B series ordinary bearer shares with a par value of PLN 0.05 (five groszy) each, 301,518 C series ordinary bearer shares with a par value of PLN 0.05 (five groszy) each and 3,339,744 rights to E series ordinary bearer shares with a par value of PLN 0.05 (five groszy) each were introduced to trading on the primary stock exchange market in accordance with the ordinary procedure. The offering price of shares and rights to shares was set at PLN 32, enabling to obtain the expected proceeds from the issue of new shares of PLN 106,872 thousand.

The increase of share capital by issuing E-series shares was registered on 13 May 2015.

After the changes, not including the conditional capital increase, the shareholding structure on 30 September 2015 and as at the date of preparation of this report is as follows:

Shareholder	Number of shares	% of share capital	Number of votes	% of votes
European Media Holding SARL	10 869 177	38,47%	15 369 177	37,82%
Orfe S.A.	2 629 903	9,31%	5 259 806	12,94%
10x S.A.	2 629 903	9,31%	5 259 806	12,94%
Albemuth Inwestycje S.A.	2 629 903	9,31%	5 259 806	12,94%
Others	9 493 896	33,60%	9 493 896	23,36%
Total	**28 252 782**	**100,00%**	**40 642 491**	**100%**

As at 31 December 2014 the shareholding structure was as follows:

Shareholder	Number of shares	% of share capital	Number of votes	% of votes
European Media Holding SARL	16 721 811	67,93%	16 721 811	68%
Orfe S.A.	2 629 903	10,69%	2 629 903	11%
10x S.A.	2 629 903	10,69%	2 629 903	11%
Albemuth Inwestycje S.A.	2 629 903	10,69%	2 629 903	11%
Razem	**24 611 520**	**100,00%**	**24 611 520**	**100%**

Shares of Series D and F to the date of approval of these financial statements have not been registered.

The table below shows the information on the Parent Company's dividend passed and paid out:

(in PLN'000)	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014
Dividend passed for the prior years	-	17 453
Advance payment of dividend	-	-
Dividend offset against the Shareholders' commitment to pay in cash contributions in respect of the Company's capital increase	-	4 013
Dividend passed and paid out during the year for the current and prior years	-	14 149
Dividend liability at the end of the period		
Dividend per share in PLN		1

22. INCENTIVE SCHEME – SHARE-BASED PAYMENTS

On 23 October 2014, the Parent Company's shareholders signed an agreement which stipulates the establishment of an incentive scheme granting the Company's share options to key persons working for the Group. The total number of shares earmarked for the scheme is 1,230,576 and it shall not exceed 5% of the Company's share capital. The rights were awarded on 12 August 2014, and they are vested in the beneficiaries gradually (so called vesting), on a quarterly basis, as a rule over a period no shorter than 6 years. The scheme includes a requirement of being currently employed as a condition for the rights to the options vesting.

In connection with the above arrangements, the Group has an incentive scheme which basic principles are defined in Resolution No. 6 of Extraordinary General Meeting dated 12 December 2014. On the basis of the existing incentive plan, selected members of the Supervisory Board and Management Board as well as selected employees or co-workers of the Company or other Group's companies which concluded the management option agreement with the Company or other Group's companies, are entitled to take up Company's shares. The right to take up the Company's shares also relates to entities to which the Managers, in accordance with the terms of management option agreement, transferred rights and obligations of management option agreement with the approval of the Company.

The existing incentive scheme includes two phases of realization of rights to take up the Company's shares: (i) taking up series C shares due to realization of rights under the management option contract until the end of December 2014 and (ii) taking up series D shares due to realization of rights starting from January 2015.

The scheme was classified as an equity settled share-based incentive scheme.

The weighted average fair value of the options awarded during the period, determined using the BMS valuation model developed by Fisher Black, Myron Scholes and Robert Merton amounted to PLN 5.22 per option. The key input data for the model were as follows: the weighted average share price as at the date of awarding the options, the exercise price, volatility of rates of return on shares of 30.6%-37.1%, dividend rate of 0.0%, the six-year planned vesting period and the annual risk-free interest rate of 2.25%-3.02%. The expected volatility was estimated based on the historical daily rates of return of similar issuers because the Company's shares were not publicly traded as at the date of the agreement. The valuation was based on volatility median of comparable companies. The total value of the scheme established at the moment of awarding the rights was PLN 6,429 thousand. The expected total cost of the scheme as at the balance sheet date to be recognized in the financial statements over the entire period of its validity is PLN 4,606 thousand. The total costs recognized in net profit for the period ended 30 September 2015 in respect of the scheme was PLN 1,045 thousand.

Moreover, the Group provides for the II option scheme, for which the conditional capital increase was made (series F shares). As at the date of preparation of these financial statements, this plan has not been adopted.

23. HEDGE ACCOUNTING

The loan agreement signed on 24 March 2015 obliged the Group to conclude IRS transactions (Interest Rate Swap).
Therefore, on 28 April the Group concluded four IRS transactions. The IRS floating to fixed transactions were concluded with creditors in relation to PLN 48.8 million of the A tranche of the loan and PLN 77.2 million of the B tranche of the loan. The key parameters of the instruments (interest periods dates, the reference rate, payment schedules and amortization) are consistent with those deriving from loan agreement.
These financial instruments are treated as hedge accounting and recognized in the financial statements of the Group as cash flow hedge under IAS 39.

On each balance sheet date the Group indicates effective and ineffective part of hedge according to rules of IAS 39.95. The effective part of cumulated gain/loss (change of fair value) from the instrument is recognized in other comprehensive income. The ineffective part of cumulated gain/loss (change of fair value) from the instrument is presented in financial revenues/costs of the period under consideration.

Since the hedging instruments concluded are in total compliance in respect of both the interest periods and the amortization, the effectiveness tests conducted in nine months of 2015 have shown full effectiveness of the hedge.

The table below shows the presentation of the hedging instruments held by the Group as at 30 September 2015 in consolidated balance sheet.

(in PLN'000)	As at 30 September 2015
Long-term liabilities from valuation of IRS	(2 219)
Revaluation reserve	2 219

Using the cash flow hedge accounting allows to book the effective part of the financial instrument as other comprehensive income which will adjust the influence on the financial results of both: the valuation of the hedging instrument and the cost generated by hedged instrument. This allows the Company to reduce the volatility of the financial results from the valuation of the hedging instrument and achieve the compensation effect in the profit and loss account in the same reporting period. As a result, the economic and accounting effect of hedging will be reflected in the same period of time.

24. LOAN

(in PLN'000)	As at 30 September 2015	As at 31 December 2014
Bank loans		
Long-term	150 534	200 356
Short-term	33 631	19 161
Total	**184 165**	**219 517**

On 24 March 2015, Grupa Wirtualna Polska Sp. z o.o. terminated the previous loan agreement concluded with Bank Pekao and ING Bank Śląski on 12 December 2013. According to the termination the debt should be repaid between 7 and 9 April 2015.

On 31 March 2015 the Company repaid a loan in the amount of PLN 10,000 thousand before its due date.

On 24 March 2015, Grupa Wirtualna Polska Sp. z o.o. and mBank and ING Bank Śląski concluded a loan agreement to refinance the current debt, finance capital expenditure and acquisitions, and the bank overdraft, on the basis of which they granted a loan to Grupa Wirtualna Polska Sp. z o.o. in the total amount of up to PLN 279.5 million.

The whole debt under the previous loan agreement and its refinancing took place 8 April 2015. After the refinancing date and before the date of preparation of this report there were three repayments under the new loan agreement. The first repayment of PLN 20 million took place on 21 May 2015 and was financed with the proceeds obtained from the first public offering. Moreover, in accordance with the loan schedule, on 30 June 2015 and 30 September 2015 the Group made repayment of the capital part of PLN 6,725 thousand each.

In relation to the termination of the loan agreement, the Group was obliged to pay commission for early repayment of PLN 1,996 thousand. Finance costs related to the above were recognized in the period ended 31 March 2015. The finance costs for the period also included PLN 4,205 thousand in respect of initial fees incurred on the origination of the previous loan, which were to be deferred over the term of the loan by accounting for interest on the loan using the effective interest rate.

The new loan agreement ensures a lower margin which results in a reduction in the total interest expense throughout the whole term of the loan and higher flexibility of funding future acquisitions. The new loan agreement bears an interest rate of 3M WIBOR plus a specified margin depending on the ratio of the Group's net debt to EBITDA.
Grupa Wirtualna Polska SA. is obliged to repay the debt as follows:

- tranche A should be repaid in twenty equal quarterly installments payable over a term of 5 years after the lapse of 3 months of concluding the new loan agreement;
- tranche B should be repaid on the final maturity date which will be the 6th anniversary of the conclusion of the new loan agreement;
- tranche CAPEX should be repaid in twelve equal quarterly installments payable after the lapse of two and a half years of concluding the new loan agreement.

Receivables of the new lenders in respect of the loan granted are secured as follows:

- financial and registered pledges on shares in Grupa Wirtualna Polska Spółka S.A. (the registered pledge agreement was concluded on 30 October 2015, the pledge has not been entered in the relevant register yet), financial and registered pledges on shares in http Spółka z o.o., Dobreprogramy Spółka z o.o., Business Ad Network Spółka z o.o., Businessclick Spółka z o.o., Money.pl Spółka z o.o., Domodi Spółka z o.o., WP Shopping Spółka z o.o. and WP1 Sp. z o.o. and Blomedia.pl (the registered pledge agreement was concluded on 30 October 2015, the pledge has not been entered in the relevant register yet);
- registered pledges on items and rights of Wirtualna Polska Holding SA, Grupa Wirtualna Polska S.A., Money.pl Spółka z o.o., Business Ad Network Spółka z o.o., Business Ad Network Spółka z o.o.; WP1 Spółka z o.o.; Blomedia.pl Spółka z o.o.;
- ordinary and registered pledges on rights to trademarks of Grupa Wirtualna Polska S.A., Money.pl Spółka z o.o. and Blomedia.pl Spółka z o.o. (the registered pledge agreement on rights to trademarks was concluded on 30 October 2015, the pledge has not been entered in the relevant register yet);
- financial and registered pledges on bank accounts maintained for Wirtualna Polska Holding SA, Grupa Wirtualna Polska S.A., Money.pl Spółka z o.o., Business Ad Network Spółka z o.o., WP Shopping Spółka z o.o., WP1 Spółka z o.o., Blomedia.pl Spółka z o.o. together with powers of attorney to those bank accounts;
- transfer of rights from agreements mentioned in the new loan agreement (including insurance policies, commercial contracts, intercompany loans) Wirtualna Polska Holding SA and Grupa Wirtualna Polska SA; Money.pl Spółka z o.o.; Business Ad Network Spółka z o.o., WP Shopping Spółka z o.o., WP1 Spółka z o.o., Blomedia.pl Spółka z o.o.,
- declarations on submission to enforcement procedures by Wirtualna Polska Holding SA, Grupa Wirtualna Polska SA and WP Shopping Spółka z o.o., Money.pl Spółka z o.o., Business Ad Network Spółka z o.o., WP1 Spółka z o.o., Blomedia.pl Spółka z o.o., and
- a subordination agreement for the repayment of indicated existing and future dues in respect of Grupa Wirtualna Polska Spółka S.A. to dues of new borrowers.

The debt from loan agreement was presented in the balance sheet at 30 September 2015 as long and short term. The short-term part was calculated as the sum of planned payments for 12 consecutive months according to the repayment schedule.

25. CONTINGENT LIABILITIES

Contingent liabilities following from acquisitions of subsidiaries result from the arrangements made with the previous owners of Sportowe Fakty, Domodi Spółka z o.o. and NextWeb Media Spółka z o.o. As at 30 September 2015, estimated non-discounted amount of all future payments which the Group may be obliged to make based on the arrangements accepted is PLN 21,195 thousand. The fair value of the contingent consideration of PLN 16,935 thousand was estimated in both cases under the income method. Both liabilities are measured at the 3rd level of the fair value hierarchy, further information is presented in Note 29.

26. PROVISIONS

(in PLN'000)	As at 30 September 2015	As at 31 December 2014
Provision for employee benefits	**2 372**	**2 096**
provision for pension benefits	240	240
holiday pay provision	2 132	1 856
Other provisions, including:	**1 457**	**2 115**
Provisions for litigation in progress	1 048	1 241
Onerous contracts	409	874
Total	**3 829**	**4 211**

(in PLN'000)	As at 30 September 2015	As at 31 December 2014
Provision for employee benefits		
As at the beginning of the period	**2 096**	**131**
Provisions recorded during the year	220	160
Released	-	(554)
Business combinations	56	2 359
Aa at the end of the period	**2 372**	**2 096**
Other provisions:		
As at the beginning of the period	**2 115**	**577**
Recorded during the year	444	954
Utilized	(895)	(47)
Released	(347)	(239)
Business combinations	140	870
As at the end of the period	**1 457**	**2 115**

27. TRADE AND OTHERS LIABILITIES

The table below presents structure of trade liabilities and other liabilities as at 30 September 2015 and 31 December 2014.

(in PLN'000)	As at 30 September 2015	As at 31 December 2014
Non-current:		
Contingent liabilities under business combinations	12 378	3 038
IRS – cash flow hedges	2 219	3 770
Liabilities with respect to put options for non-controlling interests	45 437	32 358
	60 034	**39 166**
Current:		
Trade payables	24 405	28 467
Contingent liabilities under business combinations	4 557	1 342
IRS – cash flow hedges	-	2 237
Liabilities to the state budget	4 835	6 441
Barter liabilities	3 920	650
Deferred income	1 749	
Wages and salaries payable	5 852	5 423
Liabilities in respect of purchase of property, plant and equipment, and intangible assets	5 050	4 215
Other	2 557	3 874
	52 925	**52 649**

Due to the fact that the financial results of Domodi sp. z o.o. for the current year exceeded significantly the originally expected values, the Management considered necessary to revise a long-term forecast for this company and consequently updated the valuation of the liability to purchase a minority stake of 49% shares in this entity in the Group's consolidated balance sheet. After the end of 2017, the Group will be entitled to purchase, and the former shareholder to sell a further 24.5% of shares in Domodi Sp. z o.o. at a price determined based on the Company's results for the year 2017. After the end of 2019, the Group will be entitled to purchase, and the former shareholder to sell the remaining 24.5% of shares in Domodi Sp. z o.o. at a price determined based on Domodi's results for the year 2019 or the market value of the Company's shares. Taking into account the current and forecasted for the following years above-average financial results of Domodi Sp. z o.o. which exceeded significantly the original projections used to estimate the value of the liability to purchase the non-controlling package, this liability was revaluated by PLN 11.5 million in the third quarter. The effect of this revaluation was recognized in the financial part of consolidated income statement and other comprehensive income. Originally estimated undiscouted value of this liability amounted to PLN 43.1 million, while after the revaluation on the basis of current forecasts it was raised by PLN 13.9 million to reach PLN 56.9 million which after including the discount factor, increased the Group's balance sheet by PLN 11.5 million.

28. LITIGATIONS

Due to the specific nature of its operations, mainly operating internet portals, the Group is exposed to suits in cases related to protection of personal rights. As at 30 September 2015, a several dozen such cases were in progress. The Group recorded a provision for pending litigation based on the actual status of cases and cost estimates prepared by the Legal Department conducting the cases. The provisions were recorded in an amount of claims and court fees the adjustment of which is probable in the Group's opinion. Currently, there are no pending court proceedings, arbitration or proceedings before the administrative authority in respect of liabilities or receivables of Wirtualna Polska Holding SA and its subsidiaries in the total amount of at least 10% of the Wirtualna Polska Holding SA 's equity.

During the nine months of 2015 the Capital Group paid the total amount of PLN 431 thousand as compensations in cases concerning the protection of personal rights. Additionally, in the analyzed period, the provision for court proceedings decreased by PLN 193 thousand.

29. FAIR VALUE ESTIMATION

The table below presents financial instruments held by the Group and measured at fair value, by particular valuation methods. Particular levels were defined as follows:

- Input data other than level 1 identifiable or observable quotations for assets or liabilities, directly (i.e. in the form of prices) or indirectly (i.e. on the basis of price-based calculations) (level 2);
- Input data for the valuation of assets or liabilities which are not based on observable market data (i.e. unobservable data) (level 3).

The table below presents the Group's financial liabilities measured at fair value as at 30 September 2015:

(in PLN'000)	Level 2	Level 3	Total
Liabilities measured at fair value through profit or loss			
Contingent liabilities under business combinations	-	16 935	16 935
Total	-	16 935	16 935
Liabilities measured at fair value through equity			
Interest rate contracts	2 219		**2 219**
Total liabilities	**2 219**	**-**	**2 219**

Level 2 financial Instruments

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. Such valuation techniques optimize the use of observable market data where they are available and rely to the smallest extent on specific unit estimates. If all input data necessary to measure an instrument at fair value are indeed observable the instrument is classified to level 2.

If one or a larger number of input data is not based on observable market data, the instrument is classified to level 3.

In measuring the fair value of interest rate swaps, the Group uses the present value of future cash flows based on observable income curves. Analyses of discounted cash flows are used to determine fair value for the remaining financial instruments.

Level 3 financial Instruments

The table below presents changes in level 3 instruments for nine months ended 30 September 2015:

(in PLN'000)	Contingent consideration under business combination
As at the beginning of the year	**4 380**
Partial payment of the contingent liability	(1 008)
New contingent liability	11 837
Gains and losses recognized in profit/loss	1 726
As at the end of the year	**16 935**

The table below presents fair and carrying values of financial instruments.

(in PLN'000)	Carrying value	Fair value
Bank loans	184 165	186 313
Finance lease liabilities	677	677
Total	**184 842**	**186 990**

30. OBJECTIVES AND PRINCIPLES OF FINANCIAL RISK MANAGEMENT

The Group is exposed to credit risk and liquidity risk and since 2014, also to cash flow and fair value risks as a result of interest rate fluctuations. As at 30 September 2015, the Group's operations were not subject to significant currency risk due to an insignificant share of currency transactions in the Group's total transactions. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group utilizes derivative financial instruments to hedge against some risks. Until the end of 2013, the Group applied the principle of not trading in financial instruments. From 2014, The Group has swap instruments to economically hedge against interest rate risk arising from loan agreements concluded.

Risk is management by the centralized treasury department of the Group which executes the policy approved by the Management Board. The Group's treasury department identifies and evaluates financial risks and safeguards the Group against them in strict cooperation with operating units. The Management Board sets in writing the general principles for risk management and the policy concerning the specific areas such as currency risk, interest rate risk, credit risk, application of derivatives and other non-derivative financial instruments and investing of liquidity surpluses.

Credit risk

The credit risk to which the Group is exposed arises mainly from trade receivables and cash at bank:

- **Trade receivables**

The Group concludes transactions with firms having a good reputation on the market and with a long relationship history which so far had no problems with the settlement of liabilities to the Group. All clients who wish to use trade credit are subjected to initial verification procedures. Moreover, due to the on-going monitoring of the balances of receivables, the Group's exposure to bad debt risk is insignificant. Due to a specific nature of the market on which the Group operates, receivables overdue up to 60 days are not considered irregular (unless the Group has information of a given client's financial difficulties). This results from the fact that the Group's clients are mainly agents (media houses, etc.) acting on behalf of the end clients. Therefore, it is frequently the case that the Group's clients suspend payment until funds from the end client are transferred to their account. There is no significant concentration of credit risk in the Group, and receivables are usually paid up within 60 days.

- **Cash at bank**

The Group places its cash solely in financial institutions with the best reputation.

(in PLN'000)	As at 30 September 2015	As at 31 December 2014
Banks with A-rating	82 551	31 148
Total cash at banks	**82 551**	**31 148**

The maximum exposure to credit risk corresponds to the carrying amount of the above financial assets.

Cash flow and fair value risk resulting from interest rate fluctuations

In the Group's case, interest rate risk is related to long-term loans and advances. Loans and advances with floating interest rates expose the Group to the risk of cash flow fluctuations as a result of changes in interest rates. However, this risk is partly offset by floating interest rate deposits. The Group's strategy aimed at mitigating interest rate risk includes maintaining a balanced level of its loans and advances in the form of fixed and floating interest rate instruments. In 2015 and 2014, all of the Group's loans and advances were denominated in PLN.
The Group dynamically analyses its exposure to interest rate fluctuations. Simulations of various scenarios are conducted, taking into account refinancing, renewal of the existing positions, alternative financing and hedges. Based on these scenarios, the Group calculates the effect of specific interest rate fluctuations on the results. These scenarios are only created for liabilities which constitute the largest interest-bearing items. Based on various scenarios, the Group manages its cash flow risk relating to interest rate fluctuations – using interest swaps under which floating interest rates are swapped for fixed. The economic result of applying such swaps is that loans and advances with floating interest rates are transformed into instruments bearing fixed interest rates. Based on the agreements relating to interest rate swaps, the Group undertakes, together with the other parties, to swap at specific intervals (usually on a quarterly basis) the difference between the fixed and floating interest rates established based on the agreed basis principal.

Liquidity risk

The Group monitors liquidity risk using a periodic liquidity planning tool. The tool takes into account the maturities of investments and financial assets (e.g. receivables, other financial assets), as well as expected cash flows from operating activities.

31. RELATED PARTY DISCLOSURES

As at 30 September 2015 no individual entity can control the Group independently. Nevertheless, in view of the share in the overall number of votes at the General Meeting, the European Media Holding S.a r.l. and the Founders' Companies (acting in concert on the basis of a cooperation agreement regarding the joint exercise of ownership rights based on holding shares in the Company after the Admission Date) will be able to exercise a decisive influence over the decisions regarding the most important corporate issues such as the appointment and dismissal of the President of the Management Board, the appointment and dismissal of the members of the Supervisory Board, the amendment of the Articles of Association, the issuance of the new shares in the Company, a decrease of the share capital of the Company, the issuance of convertible bonds, dividend payments and other actions which, pursuant to the Commercial Companies Code, require an ordinary or a qualified majority of votes at the General Meeting.
The ultimate parent of Group is Wirtualna Polska Holding S.A.

The following transactions were concluded with related entities:

(in PLN'000)	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014	For the three months ended 30 September 2015	For the three months ended 30 September 2014
Purchases:				
Controlling shareholders	-	2 056	-	-
Subsidiary of a member of the Management Board of the Parent Company	142	36	65	8
Total	**142**	**2 092**	**65**	**8**
Sales:				
Controlling shareholders	-	6	-	6
Subsidiary of a member of the Management Board of the Parent Company	-	49	-	47
Total	**-**	**55**	**-**	**53**

Balances of receivables and payables as at the balance sheet date arising from sale/purchase of goods/services::

(in PLN'000)	As at 30 September 2015	As at 31 December 2014
Liabilities:		
Subsidiary of a member of the Management Board of the Parent Company	9	4
Total	**9**	**4**
Receivables:		
Shareholders (other receivables)	-	58
Subsidiary of a member of the Management Board of the Parent Company	-	16
Total	**-**	**74**

Benefits payable or paid to the Parent Company's Management and Supervisory Board Members in the period of current year and previous year are presented in the following table.

(in PLN'000)	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014	For the three months ended 30 September 2015	For the three months ended 30 September 2014
Short-term employee costs (salaries and related benefits)	3 961	3 100	1 215	1 495
Incentive scheme – share-based payments (note 22)	716	-	239	-
Total	**4 677**	**3 100**	**1 454**	**1 495**

32. EXPLANATIONS TO THE STATEMENT OF CASH FLOWS

(in PLN'000)	As at 30 September 2015	As at 30 September 2014
Increase/decrease in receivables arises from the following items:	**(856)**	**(1 069)**
Increase/decrease in trade receivables and other short-term assets in the balance sheet	(1 533)	(38 680)
Receivables taken over as a result of taking up control	4 611	33 547
Increase/decrease in share option plan receivables	-	-
Increase/decrease in current assets from financing activities	152	-
Increase/decrease in income tax receivable	(4 086)	4 086
Other		(22)
Increase/decrease in short-term liabilities arises from the following items:	**(4 410)**	**(9 568)**
Increase/decrease in short-term liabilities in the balance sheet	276	24 677
Adjustment for a movement in the liability in respect of swap instruments	2 237	-
Adjustment for a movement in the liability in respect of outstanding dividend	-	709
Adjustment for a movement in investment liabilities	(4 050)	(1 873)
Operating liabilities taken over as a result of taking up control	(2 873)	(33 117)
Income tax payable taken over as a result of taking up control		36
Other		

Increase/decrease in provisions arises from the following items:	**(579)**	**(998)**
Increase/decrease in short-term provisions per the balance sheet	(382)	2 100
Provision taken over as a result of taking up control	(197)	(3 098)
Purchase of shares in a subsidiary	**32 614**	**357 555**
Nominal acquisition price	31 700	397 498
Advance payment of contingent earn-out liability	1 219	-
Payment by offsetting mutual amounts receivable and payable	-	(26 372)
Loan repayment to the shareholders	200	
Cash and cash equivalents in subsidiaries as at the date of the acquisition's settlement	(505)	(13 571)

As at all balance sheet dates above, cash and cash equivalents comprised solely cash at bank and in hand of the Group companies.

33. EVENTS AFTER THE BALANCE SHEET DATE

On 6 October 2015, Domodi Sp. z o.o., a subsidiary of the parent company, purchased 100% of shares in Allani Sp. z o.o. Allani is a specialized fashion marketplace with social elements, aggregating the offer of more than 110 shops, including Zalando, Answear or Eobuwie. This platform provides a distribution channel of over 400 thousand products including such brands as: Monnari, Wojas, Tommy Hilfiger, Lacoste, Kazar, Simple, Venezia, Wittchen or Gino Rossi. Allani.pl provides services for almost 900 thousand real users per month. According to the data of Megapanel PBI/ Gemius, in August 2015 Allani.pl and e-commerce services of WP Group were visited by total more than 2.7 million users (real users) which according to the estimations provides the WP Group an upgrade to the fifth position on the list of the largest entities in e-commerce sector in Poland.

On the date of the transaction, the Group paid PLN 11.3 million to Allani's previous shareholders. The investment agreement signed with two key members of Allani's management team, which are also company's shareholders, provides the payment of bonus for the total increase in Allani and Domodi value calculated as at 31 December 2017 and 31 December 2019 respectively. Provisionally estimated, non-discounted value of the contingent liability in respect of the above amounted to PLN 10.9 million.

Additionally, the Group signed an amendment to the investment agreement with Domodi's minority shareholders in which the parties agreed that the valuation being the basis for the execution of option to buy non-controlling package will be based on consolidated results of Domodi and Allani. At the same time, the parties confirmed that the value of the conditional consideration payable to previous Allani's shareholders will reduce the valuation being the basis for exercise of put option.

In the third quarter of 2015, due to the fact that the financial results of Domodi sp. z o.o. for the current year exceeded significantly the originally expected values, the Management considered necessary to revise a long-term forecast for this company and consequently updated the valuation of the liability to purchase a minority package of 49% shares in this entity in the Group's consolidate balance sheet. The originally estimated as at the date of taking over control in Domodi, non-discounted value of this liability amounted to PLN 43.1 million while on the basis of current separate Domodi's forecasts it was raised by PLN 13.9 million to reach PLN 56.9 million which after the discount factor increased the Group's balance sheet by PLN 11.5 million.

The Management Board estimates that as a result of taking into account in valuation of the liability to purchase a non-controlling package the Allani's financial results and conditional consideration payable to previous shareholders of this company, non-discounted value of the liability in respect to put option will increase in the fourth quarter by additional PLN 15.9 million.

On 3 November 2015, the Company's Management Board received from its shareholder Orfe SA, the request for an immediate convening of the Extraordinary General Meeting of the Company. Pursuant to article 400 sec. 1 Polish Commercial Companies Code Orfe S.A. submitted the request for an immediate convening of the Extraordinary General Meeting and placing on the agenda adoption of resolutions expressing consent to exercise the voting rights by pledgees:

- Jacek Świderski – exercise voting rights attached to 789.554 or other, indicated by him, amount of A series registered shares in share capital of the Company with a nominal value of PLN 0.05 each, which are owned by European Media Holding S.à r.l.;
- Michał Brański – exercise voting rights attached to 789.554 or other, indicated by him, amount of A series registered shares in share capital of the Company with a nominal value of PLN 0.05 each, which are owned by European Media Holding S.à r.l.;
- Krzysztof Sierota – exercise voting rights attached to 789.554 or other, indicated by him, amount of A series registered shares in share capital of the Company with a nominal value of PLN 0.05 each, which are owned by European Media Holding S.à r.l.;

in relation to the intention to conclude a registered pledge agreements between European Media Holding S.à r.l. and Jacek Świderski, Michał Brański, and Krzysztof Sierota and in relation to the intention of placing in those agreements the right of pledgees to exercise voting rights attached to the shares of Company pursuant to article 340 sec. 1 of Polish Commercial Companies Code.

On November 4th, 2015 the Management Board obtained the request for placing certain matters on the agenda of Extraordinary General Meeting of the Company from European Media Holding S.à r.l., company which holds 38,47% of shares in the share capital of the Company. Pursuant to article 400 sec. 1 Polish Commercial Companies Code European Media Holding S.à r.l. submitted the request for placing on the agenda of the Extraordinary General Meeting adoption of resolution regarding changes in the Supervisory Board of the Company.

The Management Board convened the Extraordinary General Meeting of the Company on December 8,2015.

On 5th November, 2015 the National Broadcasting Council ("NBC") granted the subsidiary of Company, i.e. WP1 sp. z o.o. with its registered seat in Warsaw, a broadcasting license for the transmission of a television programme. The programme will include auditions dedicated to the development of society, economy, culture and societal transformations in modern conditions of a quick technical and technological development. The programme will include auditions dedicated to media education and also will present contents from the new media. The programme will be interactive and friendly to the audience.

The programme complies with the conditions laid down in the Announcement of the Council's Chairman of 4 August 2015. The broadcasts will discuss a wide range of topics important to society in the era of quick development of internet technologies as well as documentaries, entertainment, information and education matters. The programme will use Internet and mobile technologies.

On 9th November, 2015, the Company obtained a notification from their shareholders: Orfe S.A. with its registered seat in Warsaw, 10x S.A. with its registered seat in Warsaw, Albemuth Inwestycje S.A. with its registered seat in Warsaw (hereinafter collectively referred to as Founding Companies) and from Michał Brański, Krzysztof Sierota and Jacek Świderski (hereinafter collectively referred to as Founders), that in relation to three registered pledge agreements concluded on 6 November 2015 between European Media Holding S.à r.l. as an pleger and each of the Founders as a pledgees (Pledge Agreements) and in relation to placing in the Pledge Agreements the right of pledgees to exercise voting rights attached to the shares of Company pursuant to article 340 sec. 1 of Polish Commercial Companies Code, there was a change in general number of votes held by the Founding Companies and Founders at the General Meeting of the Company.

Changes in general number of votes held by the Founding Companies and Founders at the General Meeting of the Company, which were described in the Notification are specified below.

The Notification was submitted collectively by all of the Founding Companies and Founders in relation to shareholders' cooperation agreement concluded on 19 March 2015 between the Founding Companies and the Founders, which is an agreement on joint voting at the general meeting of shareholders and conducting a long-term policy towards the company, within the meaning of article 87 sec. 1 point 5 of the Act on offering.

In accordance to the Notification, pursuant to article 69a sec. 3 in conjunction to article 87 sec. 5 point 3 of the Act on offering and in relation to placing in Pledge Agreements the right of pledgees to exercise voting rights attached to the shares of Company pursuant to article 340 sec. 1 of Polish Commercial Companies Code, each of the Founders could exercise the voting right of pledged A series registered shares and declare that would exercise those rights, however, not earlier than before the day of expression of the consent by the General Meeting of the Company and the entry of the note about the financial and registered pledge and also authorization for the Founders to exercise voting rights attached to shares in the Company's register of shares. Once those conditions are fulfilled, the Founders will have the right to exercise voting rights in the manner set out below.

1. Jacek Świderski – right to exercise voting rights attached to 789.554 A series registered shares, which constitute 2,79% of shares in share capital of the Company and right to exercise 1.579.108 votes on the general meeting of shareholders of Company (which constitute 3,89% of all votes);

2. Krzysztof Sierota – right to exercise voting rights attached to 789.554 A series registered shares, which constitute 2,79% of shares in share capital of the Company and right to exercise 1.579.108 votes on the general meeting of shareholders of Company (which constitute 3,89% of all votes);

3. Michał Brański – right to exercise voting rights attached to 789.554 A series registered shares, which constitute 2,79% of shares in share capital of the Company and right to exercise 1.579.108 votes on the general meeting of shareholders of Company (which constitute 3,89% of all votes).

Pursuant to article 87 sec. 5 point 1 of the Act on offering, including the block of shares of the Company owned by Founding Companies, after fulfilment of conditions set by law, the Founders and the Founding Companies will be entitled to exercise voting rights in the manner set out below.

1. Jacek Świderski and Orfe S.A. – entitled to exercise voting rights attached to 3.419.457 A series registered shares (including 2.629.903 shares owned by Orfe S.A., described above), which constitute 12,10% of shares in share capital of the Company and right to exercise 6.838.914 votes on the general meeting of shareholders of the Company (which constitute 16,83% of all votes);

2. Krzysztof Sierota and Albemuth Inwestycje S.A. – entitled to exercise voting rights attached to 3.419.457 A series registered shares (including 2.629.903 shares owned by Albemuth Inwestycje S.A., described above), which constitute 12,10% of shares in share capital of the Company and right to exercise 6.838.914 votes on the general meeting of shareholders of the Company (which constitute 16,83% of all votes);

3. Michal Brański and 10x S.A. – entitled to exercise voting rights attached to 3.419.457 A series registered shares (including 2.629.903 shares owned by 10x S.A., described above), which constitute 12,10% of shares in share capital of the Company and right to exercise 6.838.914 votes on the general meeting of shareholders of the Company (which constitute 16,83% of all votes);

Until the date of preparation of this report, there were no other significant events after the balance sheet date.

34. INFORMATION ON GUARANTEES AND WARRANTIES GRATNED IN RESPECT OF LOANS

Guarantees granted to non-Group entities

In the period under analysis none of the Group companies granted any warranties in respect of loans or advances or guarantees – in aggregate to one company or an entity related to that company – the total value of which would constitute at least 10% of the Group's equity.

Intercompany guarantees

Wirtualna Polska Holding SA companies, WP Shopping Sp. z o.o., Money.pl Spółka z o.o., http Sp. z o.o. and Free4Fresh Sp. z o.o. were guarantors of the previous loan agreement concluded by and between Grupa Wirtualna Polska Sp. z o.o. (currently Grupa Wirtualna Polska SA) and Bank Pekao and ING Bank Śląski.

After the refinancing on April 2015 the following companies are guarantors of the loan agreement by and between Grupa Wirtualna Polska Spółka z o.o. (currently Grupa Wirtualna Polska SA) and mBank and ING Bank Śląski: Wirtualna Polska Holding SA, WP Shopping Sp. z o.o., Business Ad Networks Sp. z o.o. and Money.pl Sp. z o.o.

On 30 October 2015, Blomedia.pl Sp. z o.o. and WP1 Sp. z o.o. entered to the loan agreement as additional guarantors.

35. SELECTED CONSOLIDATED FINANCIAL DATA TRANSLATED INTO EUR

Consolidated income statement and other comprehensive income

	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014
	in PLN'000		in EUR'000	
Sales	223 520	131 605	53 750	31 482
Cash sales	196 617	114 626	47 281	27 421
Operating profit	41 009	13 560	9 861	3 244
Profit before tax	12 526	1 215	3 012	291
Net profit	6 335	832	1 523	199
EBITDA	63 019	28 162	15 154	6 737
Adjusted EBITDA	74 434	52 875	17 899	12 649

	For the three months ended 30 September 2015	For the three months ended 30 September 2014	For the three months ended 30 September 2015	For the three months ended 30 September 2014
	in PLN'000	in EUR'000	in PLN'000	in EUR'000
Sales	78 246	52 337	18 610	12 511
Cash sales	68 613	45 267	16 318	10 822
Operating profit	13 938	5 949	3 313	1 422
Profit before tax	(924)	1 255	(241)	300
Net profit	(3 265)	771	(799)	184
EBITDA	21 463	12 045	5 102	2 880
Adjusted EBITDA	25 114	22 193	5 969	5 306

Consolidated statement of financial position

	As at 30 September 2015	As at 31 December 2014	As at 30 September 2015	As at 31 December 2014
	in PLN'000		in EUR'000	
Total assets	671 883	569 820	160 186	133 688
Non-current assets	534 089	484 962	127 334	113 779
Current assets	137 794	84 858	32 852	19 909
Non-current liabilities	226 365	247 211	53 968	57 999
Current liabilities	91 450	77 014	21 803	18 069
Equity	354 068	245 595	84 414	57 620
Share capital	1 413	1 231	337	289
Non-controlling interests	11 810	11 544	2 816	2 708

Consolidated cash flow statement

	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014
	in PLN'000		in EUR'000	
Net cash flows from operating activities	57 620	11 234	13 888	2 682
Net cash flows from investing activities	(57 207)	(359 543)	(13 788)	(85 822)
Net cash flows from financing activities	50 990	356 294	12 290	85 047
Total net cash flows	**51 403**	**7 985**	**12 390**	**1 906**

Translation into euro was performed based on the following principles:

- amounts presented in zloty as at 30 September 2015 were translated into euro at the exchange rate of 4.2386 (the NBP exchange rate as at 30 September 2015)
- amounts presented in zloty for the period of nine months ended 30 September 2015 were translated at the exchange rate of 4.1585 (the arithmetic mean of the NBP exchange rates as at the last day of each month of 2015)
- amounts presented in zloty for the period of nine months ended 30 September 2014 were translated at the exchange rate of 4.1803 (the arithmetic mean of the NBP exchange rates as at s at the last day of each month of first three quarters of 2014).

36. OTHER INFORMATION WHICH IN GROUPS OPINION IS MATERIAL TO THE ASSESSMENT OF THE GROUP'S HUMAN RESOURCES, ASSETS AND FINANCIAL POSITION, ITS RESULTS AND THE POSSIBILITY OF ITS DISCHARGING

Apart from the events described in this document and in the Management's commentary, no other events occurred which would be material to the assessment of the Group's ability to discharge its liabilities.

In the opinion of the Management Board of Wirtualna Polska Holding SA the presented information exhaustively describes the human resources, asset and financial position of the Group. No other events took place which have not been disclosed by the Company and which could be considered material to the assessment of its respective position.

____
Jacek Świderski, President of the Management Board

____
Michał Brański, Management Board Member

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Krzysztof Sierota, Management Board Member

____
Elżbieta Bujniewicz-Belka, Management Board Member

Warsaw, 16 November 2015

CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

as at 30 September 2015
and
for 3 and 9 months ended
30 September 2015

Interim standalone income statement and other comprehensive income

(in PLN'000)	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014	For the three months ended 30 September 2015	For the three months ended 30 September 2014
Sales	**3 886**	**3 318**	**1 312**	**1 287**
Amortization and depreciation	(6)	(3)	(4)	(1)
Materials and energy used	-	(1)	-	-
Costs of the employee option scheme	(716)	-	(239)	-
Other external services	(4 467)	(1 472)	(176)	(447)
Other salary and employee benefit expenses	(3 640)	(2 286)	(1 216)	(830)
Other operating expenses	(89)	(14)	(37)	(9)
Gain/loss on disposal of other financial assets	2	1 591	2	-
Operating profit	**(5 030)**	**1 133**	**(358)**	**-**
Finance income	8 959	9 807	2 689	3 917
Finance costs	(543)	(490)	(541)	(35)
Dividends received	633	166	-	-
Profit before income tax	**4 019**	**10 616**	**1 790**	**3 882**
Income tax	(694)	(2 007)	(386)	(739)
Net profit	**3 325**	**8 609**	**1 404**	**3 143**
Other comprehensive income	-	-	-	-
Comprehensive income	**3 325**	**8 609**	**1 404**	**3 143**

Interim standalone statement of financial position

(in PLN'000)	NotE	As at 30 September 2015	As at 31 December 2014
Non-current assets			
Other intangible assets		62	-
Other financial assets	8	435 912	358 763
Deferred tax assets		1 644	711
		437 618	**359 474**
Current assets			
Trade and other receivables		3 501	3 496
Cash and cash equivalents		43 948	514
		47 449	**4 010**
TOTAL ASSETS		**485 067**	**363 484**
Equity			
Share capital		1 413	1 231
Supplementary capital		310 453	206 664
Other reserves		2 998	1 954
Retained earnings		149 582	140 280
Net profit		3 325	9 303
		467 771	**359 432**
Long-term liabilities			
Other liabilities	10	12 378	-
Deferred income tax liabilities		4 079	2 451
		16 457	**2 451**
Short-term liabilities			
Trade and other payables		839	1 601
		839	**1 601**
TOTAL EQUITY AND LIABILITIES		**485 067**	**363 484**

INTERIM STANDALONE STATEMENT OF CHANGES IN EQUITY

(in PLN'000)	Equity attributable to equity holders of the Parent Company					
	Share capital	Supplementary capital	Other reserves	Retained earnings	Net profit	Total
Equity as at 1 January 2015	**1 231**	**206 664**	**1 954**	**140 279**	**9 303**	**359 431**
Net profit/loss					3 325	3 325
Total comprehensive income	-	-	-	-	**3 325**	**3 325**
Employee benefit expenses	-	-	1 044	-	-	1 044
Issue of shares	182	108 705	-	-	-	108 887
IPO cost	-	(4 916)	-	-	-	(4 916)
Net profit distribution	-	-	-	9 303	(9 303)	-
Equity as at 30 September 2015	**1 413**	**310 453**	**2 998**	**149 582**	**3 325**	**467 771**

(in PLN'000)	Equity attributable to equity holders of the Parent Company					
	Share capital	Supplementary capital	Other reserves	Retained earnings	Net profit	Total
Equity as at 1 January 2014	**378**	**-**	**-**	**157 733**	**-**	**158 111**
Net profit/loss					8 609	8 609
Total comprehensive income	**-**	**-**	**-**	**-**	**8 609**	**8 609**
Share capital increase	853	206 664	**-**	**-**	-	207 517
Payment of dividend	**-**	-	**-**	(17 454)	-	(17 454)
Equity as at 30 September 2014	**1 231**	**206 664**	**-**	**140 279**	**8 609**	**356 783**

Interim standalone cash flow statement

(in PLN'000)	Nota	Nine months ended 30 September 2015	Nine months ended 30 September 2014
Cash flows from operating activities			
Profit before income tax		**4 019**	**10 616**
Adjustments for:		**(8 330)**	**(11 071)**
Amortization and depreciation		6	3
Losses on sale/scrapping of PPE and intangible assets		-	(1 591)
Finance income and costs		(8 416)	(9 317)
Cost of the employee option scheme		716	-
Other adjustments		(3)	-
Dividends received		(633)	(166)
Changes in working capital		**(5 525)**	**(1 304)**
(Increase)/decrease in trade and other receivables		255	(955)
IPO cost distributed to supplementary capital (aggio)		(4 918)	-
Increase/(decrease) in trade and other payables		(862)	(349)
Income tax paid		-	-
Net cash flows from operating activities		**(9 836)**	**(1 759)**
Cash flows from investing activities			
Sale of other financial assets		2	8 489
Dividends received		633	166
Repayment of guarantees granted		792	-
Repayment of loans granted		6 725	-
Nabycie jednostki zależnej (pomniejszone o przejęte środki pieniężne)		(68)	-
Purchase of shares in a subsidiary	11	(20 815)	-
Loans granted		(43 169)	(178 490)
Purchase of other financial assets		-	(500)
Net cash flows from investing activities		**(55 900)**	**(170 335)**
Net cash flows from financing activities			
Payments due to share capital increase		108 779	203 504
Loans and advances received		-	5 133
Interest paid		-	(1 814)
Interest received		392	38
Repayment of loans and advances received		-	(20 688)
Dividends distributed to shareholders		-	(14 150)
Net cash flows from financing activities		**109 171**	**172 023**
Net increase/(decrease) in cash and cash equivalents		**43 435**	**(71)**
Cash and cash equivalents at the beginning of the period		**514**	**116**
Cash and cash equivalents at the end of the period		**43 949**	**45**

1. GENERAL INFORMATION

Wirtualna Polska Holding SA („Company”) is entered in the Register of Business Entities maintained by the District Court for the Capital City of Warsaw in Warsaw, XIII Division of the National Court Register, under KRS No. 407130. The REGON number assigned by the Statistical Office is: 016366823.
Company headquarters is located in Warsaw at Jutrzenki 137 A.
Until 21 March 2014, the Company operated as Grupa o2 SA.

The Company was established for an unspecified term. The company core business comprises the holding and management activities.

2. BASIS OF PREPARTION OF THE CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, in accordance with the IAS 34 “Interim Financial Reporting” (“IAS 34”). The accounting polices used in the preparation of the condensed interim standalone financial statements for the period of nine months ended 30 September 2015 are consistent with those used in the annual standalone financial statements for the year ended 31 December 2014.

The financial statements for the year ended 31 December 2014 have been prepared in accordance with IFRS standards which are binding in the European Union in the financial year ending 31 December 2015.

Standalone statement of financial positions on 30 September 2015, standalone statement of profit and loss and other comprehensive income, standalone cash flow statement and standalone statement of change in equity for nine months period ended 30 September 2015 was not audited. Standalone financial statements on 31 December 2014 and for 12 months period ended 31 December 2014 were audited by independent certified auditor, who issued an unqualified opinion.

These condensed interim standalone financial statements should be read in conjunction with the audited standalone financial statements for the year ended 31 December 2014.

The Company as a Parent Company prepared condensed interim consolidated financial statements on 16 November 2015. These financial statements should be read in conjunction with the consolidated financial statements.

3. APPROVAL FOR PUBLICATION OF STANDALONE FINANCIAL STATEMENTS

These interim standalone financial statements have been approved for publication by the Management Board on 16 November 2015.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The main accounting estimates and assumptions made in these condensed interim standalone financial statements were the same as in financial statements for the year ended 31 December 2014.

	Accounting estimates and judgments
Income tax	The Company recognizes a deferred tax asset based on the assumption that a tax profit will be generated in the future enabling its utilization. Deterioration of tax results in the future might result in the assumption becoming unjustified.

Deferred tax asset	The fair value valuation of the shares performed due to the IFRS adoption resulted in the decrease of the Grupa Wirtualna Polska Sp. z o.o. shares by PLN 148,155 thousand as at December 31, 2012. The transaction did not result in changing the tax value of the investment in this subsidiary, due to which a deductible temporary difference arose on the investment in an amount of PLN 148,155 thousand. Due to the fact that the Company does not plan to sell its shares in the foreseeable future, pursuant to IAS 12.44, no deferred tax asset was recorded on this temporary difference.
Impairment tests	The value of shares held by the Company was subject to an impairment test as at 31 December 2014. At the end of September 2015 the Management Board analyzed potential triggers of impairment of these assets and did not identify the need for write-downs.

5. INFORMATION ON SEASONALITY IN COMPANY'S OPERATIONS

The Company's revenues do not show seasonality.

6. CHANGES IN ALLOWANCES FOR ASSETS

The standalone financial statements of Wirtualna Polska Holding SA for the period between 1 January 2015 and 30 September 2015 shows the reversal of the allowance for financial assets in the amount of PLN 501 thousand recognized due to disposal of the KupBon SA and Szopuje Sp. z o.o. shares, for which the allowance was booked in the previous period. No other changes in the amount of the allowances were recognized.

7. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

In the period from 1 January 2015 until 30 September 2015 the Company did not purchase any tangible assets. In the analyzed period the Company purchased intangible assets of PLN 68 thousand.

8. OTHER FINANCIAL ASSETS

As at 30 September 2015 and as at 31 December 2014 other financial assets consisted of the following positions:

Long-term investments	30 September 2015	31 December 2014
Udziały i akcje	202 780	169 700
Udzielone pożyczki	233 132	189 063
TOTAL	**435 912**	**358 763**

The following table presents structure of shares:

Name of the subsidiary	Carrying value as at 30 September 2015	Carrying value as at 31 December 2014	% of share capital as at 30 September 2015	% of share capital as at 31 December 2014
Grupa Wirtualna Polska Sp. z o.o.	196 053	162 979	100%	100%
Http Sp. z o.o.	12	12	100%	100%
Free4Fresh Sp. z o.o.	12	12	100%	100%
dobreprogramy Sp. z o.o.	6 697	6 697	51%	51%
WP1 Sp. z o.o.	5		100%	0%
Money Sp. z o.o.	1		0%	0%
Kupbon S.A.	-	-	-	6%
Szopuje Sp. z o.o.	-	-	-	17%
TOTAL	**202 780**	**169 700**		

9. TRANSACTIONS WITH RELATED ENTITIES

The following table presents value of transactions concluded with related entities:

(in PLN'000)	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014
Purchases		
Subsidiaries	658	146
Total	**658**	**146**
Sales		
Subsidiaries	3 886	3 318
Total	**3 886**	**3 318**
Interest and guarantee income		
Subsidiaries	8 567	9 216
Total	**8 567**	**9 216**
Interest expenses		
Subsidiaries	-	490
Total	**-**	**490**

The following table presents balances of receivables and payables as at the balance sheet date:

(in PLN'000)	As at 30 September 2015	As at 31 December 2014
Receivables		
Subsidiaries	2 513	1 924
Total	**2 513**	**1 924**
Loans granted		
Subsidiaries	233 132	189 063
Total	**233 132**	**189 063**
Payables		
Subsidiaries	100	15
Total	**100**	**15**

Benefits payable or paid to the Parent Company's Management and Supervisory Board Members:

(in PLN'000)	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014	For the three months ended 30 September 2015	For the three months ended 30 September 2014
Short-term employee costs (salaries and related benefits)	3 961	3 100	1 215	1 696
Incentive scheme – share-based payments	716	-	239	-
Total	**4 677**	**3 100**	**1 454**	**1 696**

10. CONTINGENT LIABILITIES

Contingent liability following from acquisitions of subsidiaries results from the arrangements made with the previous owners of NextWeb Media Spółka z o.o. As at 30 September 2015, estimated non-discounted amount of all future payments which Wirtualna Polska Holding may be obliged to make based on the arrangements accepted is PLN 16,635 thousand. The fair value of the contingent consideration of PLN 12,377 thousand was estimated in both cases under the income method. Both liabilities are measured at the 3rd level of the fair value hierarchy (further information is presented in Note 29 to condensed consolidated financial statements).

11. EQUITY

Detailed information about the structure and changes in Company's equity are presented in Note 21 to the condensed consolidated financial statements.

12. EXPLANATIONS TO THE STATEMENT OF CASH FLOWS

(in PLN'000)	For the nine months ended 30 September 2015	For the nine months ended 30 September 2014
Purchase of shares in subsidiaries	**20 815**	**-**
Nominal purchase price	19 388	-
Advance payment for contingent earn-out	1 219	-
Tax on civil law transactions	208	-

13. SELECTED STANDALONE FINANCIAL DATA TRANSLATED INTO EUR

Selected financial data from standalone income statement of Wirtualna Polska Holding S.A.	Nine months ended 30 September 2015	Nine months ended 30 September 2014	Nine months ended 30 September 2015	Nine months ended 30 September 2014
Financial statement	**in PLN'000**		**in EUR'000**	
Sales	3 886	3 318	934	794
Operating profit/loss	(5 030)	1 133	(1 210)	271
Profit/loss before tax	4 019	10 616	966	2 540
Net profit/loss	3 325	8 609	800	2 059
Cash flows				
Net cash flows from operating activities	(9 836)	(1 759)	(2 365)	(421)
Net cash flows from investing activities	(55 900)	(170 335)	(13 442)	(40 747)
Net cash flows from financing activities	109 171	172 023	26 252	41 151
Total net cash flows	43 435	(71)	10 445	(17)

Selected financial data from standalone income statement of Wirtualna Polska Holding S.A.	Three months ended 30 June 2015	Three months ended 30 June 2014	Three months ended 30 June 2015	Three months ended 30 June 2014
Financial statement	**in PLN'000**		**in EUR'000**	
Sales	1 312	1 287	311	308
Operating profit/loss	(358)	-	(80)	-
Profit/loss before tax	1 790	3 882	427	928
Net profit/loss	1 404	3 143	335	751
Cash flows				
Net cash flows from operating activities	(1 801)	(29)	(421)	(7)
Net cash flows from investing activities	(11 030)	(250)	(2 588)	19
Net cash flows from financing activities	222	-	(102)	(19)
Total net cash flows	(12 609)	(279)	(3 112)	(7)

Selected financial data from standalone income statement of Wirtualna Polska Holding S.A.	As at 30 September 2015	As at 31 December 2014	As at 30 September 2015	As at 31 December 2014
Balance sheet		**in PLN'000**		**in EUR'000**
Total assets	485 067	363 484	114 440	85 279
Non-current assets	437 618	359 474	103 246	84 338
Current assets	47 449	4 010	11 194	941
Non-current liabilities	16 457	2 451	3 883	575
Current liabilities	839	1 601	198	376
Equity	467 771	359 432	110 360	84 328
Share capital	1 413	1 231	333	289

Translation into euro was performed based on the following principles:

- amounts presented in zloty as at 30 September 2015 were translated into euro at the exchange rate of 4.2386 (the NBP exchange rate as at 30 September 2015)
- amounts presented in zloty for the period of nine months ended 30 September 2015 were translated at the exchange rate of 4.1585 (the arithmetic mean of the NBP exchange rates as at the last day of each month of 2015)
- amounts presented in zloty for the period of nine months ended 30 September 2014 were translated at the exchange rate of 4.1803 (the arithmetic mean of the NBP exchange rates as at the last day of each month of first three quarters of 2014).

14. EVENTS AFTER THE BALANCE SHEET DATE

On 3 November 2015, the Company's Management Board received from its shareholder Orfe SA, the request for an immediate convening of the Extraordinary General Meeting of the Company. Pursuant to article 400 sec. 1 Polish Commercial Companies Code Orfe S.A. submitted the request for an immediate convening of the Extraordinary General Meeting and placing on the agenda adoption of resolutions expressing consent to exercise the voting rights by pledgees:

- Jacek Świderski – exercise voting rights attached to 789.554 or other, indicated by him, amount of A series registered shares in share capital of the Company with a nominal value of PLN 0.05 each, which are owned by European Media Holding S.à r.l.;
- Michał Brański – exercise voting rights attached to 789.554 or other, indicated by him, amount of A series registered shares in share capital of the Company with a nominal value of PLN 0.05 each, which are owned by European Media Holding S.à r.l.;
- Krzysztof Sierota – exercise voting rights attached to 789.554 or other, indicated by him, amount of A series registered shares in share capital of the Company with a nominal value of PLN 0.05 each, which are owned by European Media Holding S.à r.l.;

in relation to the intention to conclude a registered pledge agreements between European Media Holding S.à r.l. and Jacek Świderski, Michał Brański, and Krzysztof Sierota and in relation to the intention of placing in those agreements the right of pledgees to exercise voting rights attached to the shares of Company pursuant to article 340 sec. 1 of Polish Commercial Companies Code.

On November 4th, 2015 the Management Board obtained the request for placing certain matters on the agenda of Extraordinary General Meeting of the Company from European Media Holding S.à r.l., company which holds 38,47% of shares in the share capital of the Company. Pursuant to article 400 sec. 1 Polish Commercial Companies Code European Media Holding S.à r.l. submitted the request for placing on the agenda of the Extraordinary General Meeting adoption of resolution regarding changes in the Supervisory Board of the Company.

The Management Board convened the Extraordinary General Meeting of the Company on December 8,2015.

On 9th November, 2015, the Company obtained a notification from their shareholders: Orfe S.A. with its registered seat in Warsaw, 10x S.A. with its registered seat in Warsaw, Albemuth Inwestycje S.A. with its registered seat in Warsaw (hereinafter collectively referred to as Founding Companies) and from Michał Brański, Krzysztof Sierota and Jacek Świderski (hereinafter collectively referred to as Founders), that in relation to three registered pledge agreements concluded on 6 November 2015 between European Media Holding S.à r.l. as an pleger and each of the Founders as a pledgees (Pledge Agreements) and in relation to placing in the Pledge Agreements the right of pledgees to exercise voting rights attached to the shares of Company pursuant to article 340 sec. 1 of Polish Commercial Companies Code, there was a change in general number of votes held by the Founding Companies and Founders at the General Meeting of the Company.

Changes in general number of votes held by the Founding Companies and Founders at the General Meeting of the Company, which were described in the Notification are specified below.

The Notification was submitted collectively by all of the Founding Companies and Founders in relation to shareholders' cooperation agreement concluded on 19 March 2015 between the Founding Companies and the Founders, which is an agreement on joint voting at the general meeting of shareholders and conducting a long-term policy towards the company, within the meaning of article 87 sec. 1 point 5 of the Act on offering.

In accordance to the Notification, pursuant to article 69a sec. 3 in conjunction to article 87 sec. 5 point 3 of the Act on offering and in relation to placing in Pledge Agreements the right of pledgees to exercise voting rights attached to the shares of Company pursuant to article 340 sec. 1 of Polish Commercial Companies Code, each of the Founders could exercise the voting right of pledged A series registered shares and declare that would exercise those rights, however, not earlier than before the day of expression of the consent by the General Meeting of the Company and the entry of the note about the financial and registered pledge and also authorization for the Founders to exercise voting rights attached to shares in the Company's register of shares. Once those conditions are fulfilled, the Founders will have the right to exercise voting rights in the manner set out below.

1. Jacek Świderski – right to exercise voting rights attached to 789.554 A series registered shares, which constitute 2,79% of shares in share capital of the Company and right to exercise 1.579.108 votes on the general meeting of shareholders of Company (which constitute 3,89% of all votes);
2. Krzysztof Sierota – right to exercise voting rights attached to 789.554 A series registered shares, which constitute 2,79% of shares in share capital of the Company and right to exercise 1.579.108 votes on the general meeting of shareholders of Company (which constitute 3,89% of all votes);
3. Michał Brański – right to exercise voting rights attached to 789.554 A series registered shares, which constitute 2,79% of shares in share capital of the Company and right to exercise 1.579.108 votes on the general meeting of shareholders of Company (which constitute 3,89% of all votes).

Pursuant to article 87 sec. 5 point 1 of the Act on offering, including the block of shares of the Company owned by Founding Companies, after fulfilment of conditions set by law, the Founders and the Founding Companies will be entitled to exercise voting rights in the manner set out below.

1. Jacek Świderski and Orfe S.A. – entitled to exercise voting rights attached to 3.419.457 A series registered shares (including 2.629.903 shares owned by Orfe S.A., described above), which constitute 12,10% of shares in share capital of the Company and right to exercise 6.838.914 votes on the general meeting of shareholders of the Company (which constitute 16,83% of all votes);
2. Krzysztof Sierota and Albemuth Inwestycje S.A. – entitled to exercise voting rights attached to 3.419.457 A series registered shares (including 2.629.903 shares owned by Albemuth Inwestycje S.A., described above), which constitute 12,10% of shares in share capital of the Company and right to exercise 6.838.914 votes on the general meeting of shareholders of the Company (which constitute 16,83% of all votes);
3. Michal Brański and 10x S.A. – entitled to exercise voting rights attached to 3.419.457 A series registered shares (including 2.629.903 shares owned by 10x S.A., described above), which constitute 12,10% of shares in share capital of the Company and right to exercise 6.838.914 votes on the general meeting of shareholders of the Company (which constitute 16,83% of all votes);

Until the date of preparation of this report, there were no other significant events after the balance sheet date.

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Jacek Świderski, President of the Management Board **Michał Brański, Management Board Member**

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Krzysztof Sierota, Management Board Member **Elżbieta Bujniewicz-Belka, Management Board Member**

Warszawa, 16 November 2015