

Business Performance January-September 2018

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Nine months 2018

- Bolsas y Mercados Españoles (BME) reported a net profit for the third quarter of 2018 of €30.2 million, down 16.2% on the same period of the previous year. The accumulated net profit for the first nine months of 2018 totalled €101.5 million, 12.7% less than in 2017.
 - Total revenue, less variable costs for the provision of services, which from 18 September 2017 include the costs for the settlement and information services associated with Target2-Securities (T2S), amounted to €225.3 million between January and September, down 6.3% compared to the previous year.
 - The operating costs for the third quarter and the first nine months of the year increase by 3.5% and 3.0%, respectively, excluding the effect of certain costs associated to staff renewal measures.
- Ten new REITs have been admitted to trading during the third quarter in the Alternative Equity Market (MAB). With these admissions, when added to the four admitted to trading during the first half of the year, this brings the number of REITs admitted to trading on the Spanish Stock Exchange to 65 at the close of September 2018. The company Alquiber Quality was also admitted to trading within the MAB, which takes the number of growth companies of the segment up to 42. Altogether, including REITs and Growth Companies, the figure now stands at 107 companies.
- The prominence within the alternatives for business financing in Spain on the Alternative Fixed Income Market (MARF) continues to grow. Since its launch in 2013 until September 2018, 45 companies have turned to the MARF for financing. During the first nine months of 2018 the accumulated issued volume stands at €4.4 billion, 47.8% up year-on-year, and an outstanding balance of €3.1 billion, 31.4% up on the previous year.
- In a volatility setting that remains at very low levels in accordance with the historical standards, the volume of contracts traded in IBEX 35® Futures rose 6.5% during the first nine months of 2018. The younger products traded on the market, related to hedge dividends, grew by 24% for the year in the case of IBEX 35® Impacto Dividendo, whereas the stock dividend futures increased by 77.4% for the year. Another of the leading products, IBEX 35® options, maintains an annual increase of 6.6%.
- The first BME Investor Day took place on 4 October 2018 at the Palacio de la Bolsa de Madrid, during which the basic lines of the 2019-2021 Strategic Plan were presented.

BOLSAS Y MERCADOS ESPAÑOLES, SOCIEDAD HOLDING DE MERCADOS Y SISTEMAS FINANCIEROS, S.A. AND SUBSIDIARIES COMPRISING THE BOLSAS Y MERCADOS ESPAÑOLES GROUP CONSOLIDATED PROFIT AND LOSS ACCOUNTS (UNAUDITED)	3Q18	3Q17	Δ	9M18	9M17	Δ
	(Th.Eur.)	(Th.Eur.)	%	(Th.Eur.)	(Th.Eur.)	%
Operating Income	73,563	77,497	-5.1%	231,889	243,416	-4.7%
Revenue	72,722	76,788	-5.3%	229,787	240,767	-4.6%
Other operating income	604	335	80.3%	1,171	1,619	-27.7%
Own work capitalised	237	374	-36.6%	931	1,030	-9.6%
Variable direct cost of operations	(2,142)	(1,251)	71.2%	(6,556)	(2,869)	128.5%
Net Revenue	71,421	76,246	-6.3%	225,333	240,547	-6.3%
Operating Expenses	(29,876)	(27,124)	10.1%	(87,572)	(81,521)	7.4%
Employee benefits expense	(19,081)	(17,563)	8.6%	(56,783)	(52,591)	8.0%
Other operating costs- external services	(10,640)	(9,493)	12.1%	(30,318)	(28,661)	5.8%
Taxes	(155)	(68)	127.9%	(471)	(269)	75.1%
Earnings before interest, taxes, net impairment losses and depreciation	41,545	49,122	-15.4%	137,761	159,026	-13.4%
Amortisation	(1,971)	(2,034)	-3.1%	(5,932)	(6,096)	-2.7%
Depreciation	(1)	(10)	-90.0%	15	(11)	-
Earnings before interest and taxes	39,573	47,078	-15.9%	131,844	152,919	-13.8%
Net financial income	(86)	(41)	109.8%	408	329	24.0%
Share of profit (loss) of associates	452	442	2.3%	2,107	864	143.9%
Profit before tax	39,939	47,479	-15.9%	134,359	154,112	-12.8%
Income tax expense	(9,840)	(11,497)	-14.4%	(33,031)	(37,835)	-12.7%
Consolidated profit for the period	30,099	35,982	-16.3%	101,328	116,277	-12.9%
Profit attributable to non-controlling interests	(54)	(14)	285.7%	(146)	(15)	873.3%
Profit attributable to owners of the parent	30,153	35,996	-16.2%	101,474	116,292	-12.7%
Earnings per share	0.36	0.43	-16.3%	1.22	1.40	-12.8%

Bolsas y Mercados Españoles (BME) reported a net profit for the third quarter of 2018 of €30.2 million, down 16.2% on the same period of the previous year. The accumulated net profit for the first nine months of 2018 totalled €101.5 million, 12.7% less than in 2017.

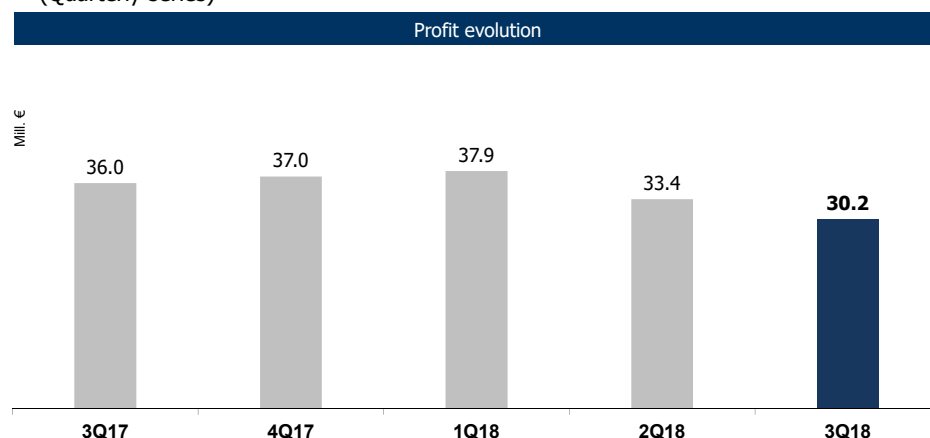
Total revenue for the third quarter and for the period January-September 2018, less variable costs for the provision of services, which as of 18 September 2017 include the costs for the settlement and information services associated with Target2-Securities (T2S), amounted to €71.4 and €225.3 million respectively, both down 6.3% compared to the previous year.

The total operating costs for BME Group for the third quarter stood at €29.9 million euros, an increase of 10.1% compared to the same period of the previous year, whereas for the first nine months of the year this amounted to €87.6 million, an increase of 7.4%. The EBITDA for the third quarter stood at €41.5 million, 15.4% down compared to the same period of 2017. The accumulated EBITDA for the period January-September of 2018 stands at €137.8 million, down 13.4%.

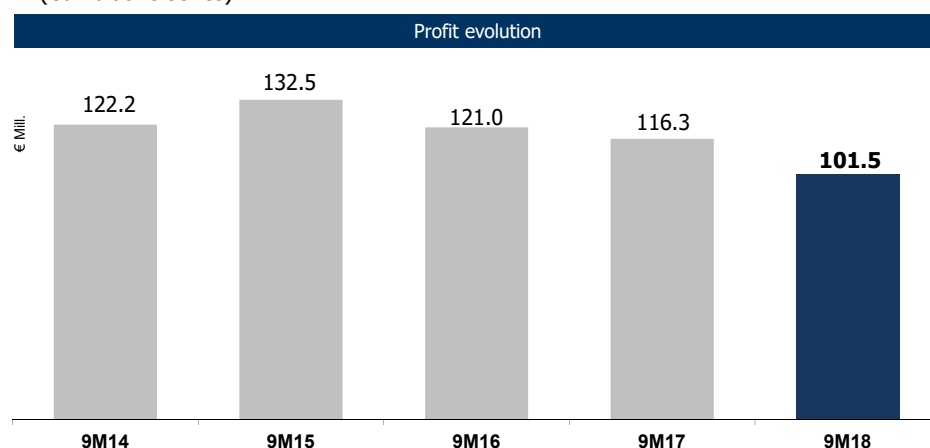
Earnings per share for the third quarter of 2018 is €0.36, 16.3% down year-on-year, whereas for the first nine months of the year it stands at €1.22, a decrease of 12.8%.

Excluding the impact of certain costs associated to staff renewal measures, the operating costs of the third quarter and first nine months of 2018 show an increase of 3.5% and 3.0%, whereas the EBITDA shows a fall of 11.7% and 11.1%, respectively. With regard to net profit, the falls are 12.5% for the quarter and 10.4% for the first nine months of the year.

BME: Profit attributable to The Group (Quarterly series)



BME: Profit attributable to The Group (Cumulative series)



Financial Statements

BOLSAS Y MERCADOS ESPAÑOLES, SOCIEDAD HOLDING DE MERCADOS Y SISTEMAS FINANCIEROS, S.A. AND SUBSIDIARIES COMPRISING THE BOLSAS Y MERCADOS ESPAÑOLES GROUP	as of 30/09/2018	as of 30/09/2017	Δ
CONSOLIDATED BALANCE SHEETS AT CLOSING DATES (UNAUDITED)	(Th.Eur.)	(Th.Eur.)	%
NON-CURRENT ASSETS	175,615	174,122	0.9%
Goodwill	88,718	88,718	0.0%
Other intangible assets	13,233	16,734	-20.9%
Property, plant and equipment	42,383	43,019	-1.5%
Non-current financial assets	22,200	17,212	29.0%
Deferred tax assets	9,081	8,439	7.6%
CURRENT ASSETS	13,402,544	18,574,701	-27.8%
Trade and other receivables	51,749	51,151	1.2%
Current financial assets	9,347	22,093	-57.7%
Other current financial assets- non Group	13,036,541	18,199,422	-28.4%
Other current assets	2,552	2,443	4.5%
Cash and cash equivalents	302,355	299,592	0.9%
TOTAL ASSETS	13,578,159	18,748,823	-27.6%
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	434,623	442,407	-1.8%
Capital	250,847	250,847	0.0%
Reserves	118,827	112,002	6.1%
Parent company shares or equity holdings	(11,801)	(11,961)	-1.3%
Profit/(loss) for the period	101,474	116,292	-12.7%
Interim dividend	(33,261)	(33,258)	0.0%
Other equity instruments	4,821	6,355	-24.1%
Valuation adjustments	3,716	2,130	74.5%
Non-controlling interests	87	243	-64.2%
NON-CURRENT LIABILITIES	22,814	19,817	15.1%
Non-current provisions	17,190	14,721	16.8%
Deferred tax liabilities	5,610	5,082	10.4%
Other non-current liabilities	14	14	0.0%
CURRENT LIABILITIES	13,120,635	18,286,356	-28.2%
Other current financial liabilities- non Group	13,036,494	18,199,422	-28.4%
Trade and other payables	76,471	79,972	-4.4%
Other current liabilities	7,670	6,962	10.2%
TOTAL LIABILITIES	13,143,449	18,306,173	-28.2%
TOTAL EQUITY AND LIABILITIES	13,578,159	18,748,823	-27.6%

The group includes as a balance of assets and liabilities the amounts related to:

Guarantees received from participants

Financial instruments in which it acts as central counterparty

Receivables balance (payables) on settlement of daily operations with options and futures

Receivables balance (payables) of cash withheld for settlement

These amounts increase, for the same amount, the balances of the accounts "Other current financial assets- non Group" in the assets of the balance sheet and "Other current financial liabilities - non Group" in the liabilities of the balance sheet. This presentation criteria has no impact on income or equity.

BOLSAS Y MERCADOS ESPAÑOLES, SOCIEDAD HOLDING DE MERCADOS Y SISTEMAS FINANCIEROS, S.A. AND SUBSIDIARIES COMPRISING THE BOLSAS Y MERCADOS ESPAÑOLES GROUP			
	9M18	9M17	Δ
CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)			
	(Th.Eur.)	(Th.Eur.)	%
Profit before tax	134,359	154,112	-12.8%
Adjustments to profit	7,951	6,462	23.0%
Changes in working capital	7,536	13,100	-42.5%
Trade and other receivables	28,524	30,630	-6.9%
Current financial assets excluding non-Group current financial assets	(474)	(786)	-39.7%
Trade and other payables	(24,963)	(23,795)	4.9%
Other current liabilities	5,921	6,009	-1.5%
Other non-current assets and liabilities	(1,472)	1,042	-241.3%
Other amounts received/ (paid) in operating activities	(34,145)	(37,926)	-10.0%
Net cash flows from operating activities	115,701	135,748	-14.8%
Net cash flows from investing activities	4,421	33,754	-86.9%
Net cash flows from financing activities	(93,506)	(94,339)	-0.9%
Net increase/(decrease) in cash and cash equivalents	26,616	75,163	-64.6%
Total cash and cash equivalents at beginning of year	275,739	224,429	22.9%
Total cash and cash equivalents at period end	302,355	299,592	0.9%

Note: For the purpose of clear presentation of changes in working capital, cash flows from Other current financial assets and liabilities - non Group are included in the consolidated cash flow statement by its net amount.

BOLSAS Y MERCADOS ESPAÑOLES, SOCIEDAD HOLDING DE MERCADOS Y SISTEMAS FINANCIEROS, S.A. AND SUBSIDIARIES COMPRISING THE BOLSAS Y MERCADOS ESPAÑOLES GROUP		
	as of 30/09/2018	as of 30/09/2017
CHANGE IN SHAREHOLDERS' EQUITY (UNAUDITED)		
	(Th.Eur.)	(Th.Eur.)
Equity attributable to owners of the parent Opening balance	430,147	423,792
Distribution of dividends	(98,080)	(99,731)
Transactions with parent company shares and equity holdings	(661)	0
Acquisitions / (disposals) of non-controlling interests	(175)	0
Equity-settled share-based payments	(994)	768
Total recognised income and expense	104,386	117,578
Profit for the year	101,474	116,292
Measurement of financial instruments	2,038	1,033
Actuarial gains and losses and other adjustments	1,834	688
Translation differences	8	(5)
Tax effect	(968)	(430)
Equity attributable to owners of the parent Closing balance	434,623	442,407

Highlights

■ During the third quarter, 10 new REITs were admitted to trading on the Stock Exchange, all of which belong to the corresponding segment of the Alternative Securities Market (MAB). With these admissions, when added to the 4 admitted to trading during the first half of the year, this brings the number of REITs admitted to trading on the Spanish Stock Exchange to 65 at the close of September 2018.

A “growth” segment was opened in the Pre-Market Environment in cooperation with an entity specialized in innovation company programs.

The quarter also saw the admission of the company Berkeley to the Stock Exchange with a capitalisation of €122.5 million and the company Alquiber Quality to the Growth Companies segment of the MAB, following which, this section of the MAB at the close of September had 42 listed issuers.

The investment funds channelled through the Stock Exchange total €6.3 billion for the quarter, reaching €12.0 billion for the year.

■ At the close of the third quarter the listing, and subsequent inclusion in the market’s electronic platform of all the government

Bolsas y Mercados Españoles (Quarterly Overview)	3Q18	3Q17	Δ	9M18	9M17	Δ
Equity						
Trading						
Turnover (€ Mill.)	115,100	128,249	-10.3%	454,795	493,382	-7.8%
Number of trades	9,823,799	11,674,429	-15.9%	33,179,303	38,345,326	-13.5%
Number of shares (Million)	25,987	44,651	-41.8%	106,761	167,305	-36.2%
Average amount per trade (Euros)	11,716	10,985	6.7%	13,707	12,867	6.5%
Listing (€ Mill.)						
Market Capitalisation				1,093,396	1,155,746	-5.4%
Investment Flows channelled through Exchange	6,256	15,501	-59.6%	12,007	36,259	-66.9%
Fixed Income						
Trading						
Turnover (€ Mill.)	42,002	39,666	5.9%	148,835	182,929	-18.6%
Number of Operations	8,302	13,241	-37.3%	35,934	58,693	-38.8%
Listing						
AIAF volume admitted (nominal € Mill.)	69,686	110,319	-36.8%	235,505	305,878	-23.0%
Public Debt	57,369	97,772	-41.3%	179,364	220,533	-18.7%
Corporate Fixed Income	10,933	11,622	-5.9%	51,735	82,363	-37.2%
MARF	1,384	925	49.6%	4,406	2,982	47.8%
Derivatives						
Futures (number of contracts)						
Index Futures	1,744,256	1,798,794	-3.0%	5,897,468	5,605,079	5.2%
Stock Futures	2,074,537	2,745,511	-24.4%	8,363,262	9,340,213	-10.5%
Options (number of contracts)						
Index Options	829,446	853,293	-2.8%	2,677,261	2,510,500	6.6%
Stock Options	4,467,539	4,585,515	-2.6%	14,407,821	14,894,586	-3.3%
Open interest (number of contracts)				10,389,152	10,418,386	-0.3%
Clearing						
Financial Derivatives (number of contracts)	9,115,778	9,983,113	-8.7%	31,345,812	32,350,378	-3.1%
Energy Derivatives (Volume MWh)	3,187,501	5,581,301	-42.9%	9,112,732	14,967,522	-39.1%
Repo (Turnover Mill. Eur.)	40,048	62,603	-36.0%	117,029	227,538	-48.6%
Interest Rates Derivatives (Notional value reg. € Mill.)	5	231	-97.8%	65	654	-90.1%
Equity (Transactions cleared)	19,646,966	23,348,582	-15.9%	66,356,536	76,682,850	-13.5%
Settlement & Registration						
Operations settled	2,219,130	2,692,305	-17.6%	6,870,462	8,515,794	-19.3%
Turnover settled (€ Billion daily avg.)				78.4	172.4	-54.5%
Volume registered - end of period- (€ Billion)				2,329.7	2,294.8	1.5%

debt issues for Germany, France, The Netherlands, Belgium, Italy, Austria, Portugal and Ireland and the European Stability Mechanism (ESM) was completed. After these admissions, the outstanding volume admitted to the market's electronic platform in fixed income available for trading, exceeded €6.8 trillion.

Also in Fixed income, there is a growing prominence within the alternatives for business financing in Spain in the Alternative Fixed Income Market (MARF). The MARF closed the first nine months of 2018 with accumulated issued volume of €4.4 billion, 47.8% up year-on-year, and an outstanding balance of €3.1 billion, 31.5% up on the previous year.

- The IBEX 35® derivatives stand out in a context that still has very low volatility levels. The volume of contracts traded in IBEX 35® futures rose 6.5% during the first nine months of 2018. Another of the benchmark products, the IBEX 35® options, maintained an annual increase of 6.6% in trading volumes.

Of particular note is the performance of the younger products traded on the market, both types related to the hedge dividends. The IBEX 35® Impacto Dividendo futures increased 3.7% during the quarter and 24.0% for the year, whereas stock dividend futures rose 17.9% for the quarter and 77.4% for the year.

- The total volume registered in Fixed Income showed an increase of 5.7% compared to the nominal values registered a year before.

- BME Clearing unit increased during 2018 with the inclusion of natural gas contracts in the energy segment.

July saw the announcement of the agreement between BME Clearing and Nex Markets, the operator of the main repos trading platform in Spanish debt, to permit the clearing, though BME Clearing, of trades carried out on the platform.

- During the third quarter of 2018, the Colombian Stock Exchange launched the trading and order management platform (OMS) by BME Inntech for the authorisation and implementation of trading strategies on the Colombian fixed income securities market, as part of the project for the implementation of a comprehensive routing and order management solution.

- In OpenFinance, an alliance was reached with Refinitiv to offer technical analyses of securities and pioneering technology in the management of private banking for Spain and Latin America.

- On 14 September 2018, the company paid out its first interim dividend against 2018 results, for the amount of €0.4 per share, gross. The second interim dividend is expected to be paid out on Friday, 28 December 2018. Shareholders registered in the Shareholder Register on 27 December 2018 (the record date) will be entitled to receive this dividend, with the ex-date being Monday 24 December.

On 4 October 2018, the Company's first Investor Day took place at Palacio de la Bolsa de Madrid, at which it presented the basic lines of the 2019-2021 Strategic Plan. The presentation given by the Company's managers is available on the corporate website, www.bolsasymercados.es, and on the website of the National Securities Market Commission, www.cnmv.es under the section "Price sensitive information".

Key performance indicators

The monitoring and comparison with other companies in the sector in which the BME operates is performed through three indicators. The efficiency ratio which measures the operating costs over total net revenue, the ROE that measures the return on equity and the ratio of revenues not linked to volumes (RNLV) over operating costs.

The ratio of revenues not linked to volumes over the cost base presented a value of 124% at the close of the third quarter of 2018, three points down year-on-year, reflecting the degree to which revenues not linked to volumes are capable of covering the costs incurred for their generation.

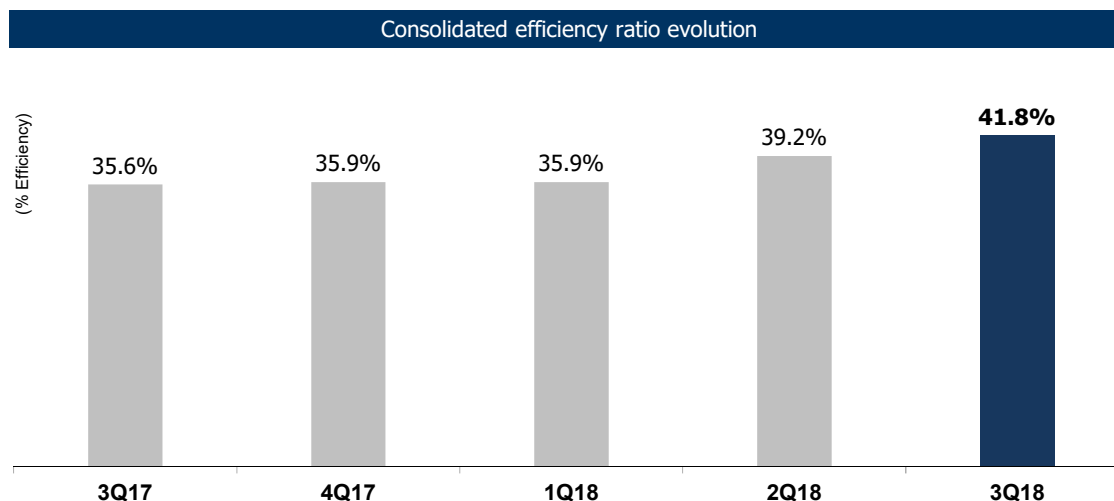
The efficiency ratio, which is more favourable when the value of the indicator is lower, in 2018 presented a value of 41.8% for the third quarter of 2018 and 38.9% for the first nine months of the year, compared to the values in 2017 of 35.6% and 33.9%

respectively. Excluding the costs associated with staff renewal measures, the value of the indicator would have been 39.3% for the third quarter and 37.3% for the accumulated year 2018. The indicator is placed in line with the one obtained by the comparable ones of the sector presenting a positive margin of 1.4 points with respect to the average of the companies that operate globally in the same BME's sector.

The return on equity (ROE) during the third quarter stood at 27.9%, down 4.9 points compared to the same period of 2017. For the year to date, the ROE stands at 31.5% with a difference of 11.5 percentage points when compared to peer companies of the sector operating globally.

Bolsas y Mercados Españoles Group (KPIs)	3Q18	3Q17	9M18	9M17
RNLV/Cost base ratio			124%	127%
Efficiency ratio (%)	41.8%	35.6%	38.9%	33.9%
ROE (%)	27.9%	32.8%	31.5%	35.9%

BME efficiency ratio (Quarterly series)



Note: Quarterly comparative data calculated using net revenues

Staff

Bolsas y Mercados Españoles (Staff)	3Q18	3Q17	9M18	9M17
Average number of staff	754	747	746	746
Employees as at balance sheet date	759	746	759	746

Share Performance

During the first nine months of 2018, the BME share price rose 4.9% to reach €27.84, compared to the fall of 6.5% experienced by the IBEX 35®. The total yield for the BME shareholder up to the close of the third quarter, including the amount of the dividends, reached 9.21%, whereas the total yield of the IBEX 35® with dividends has been negative.

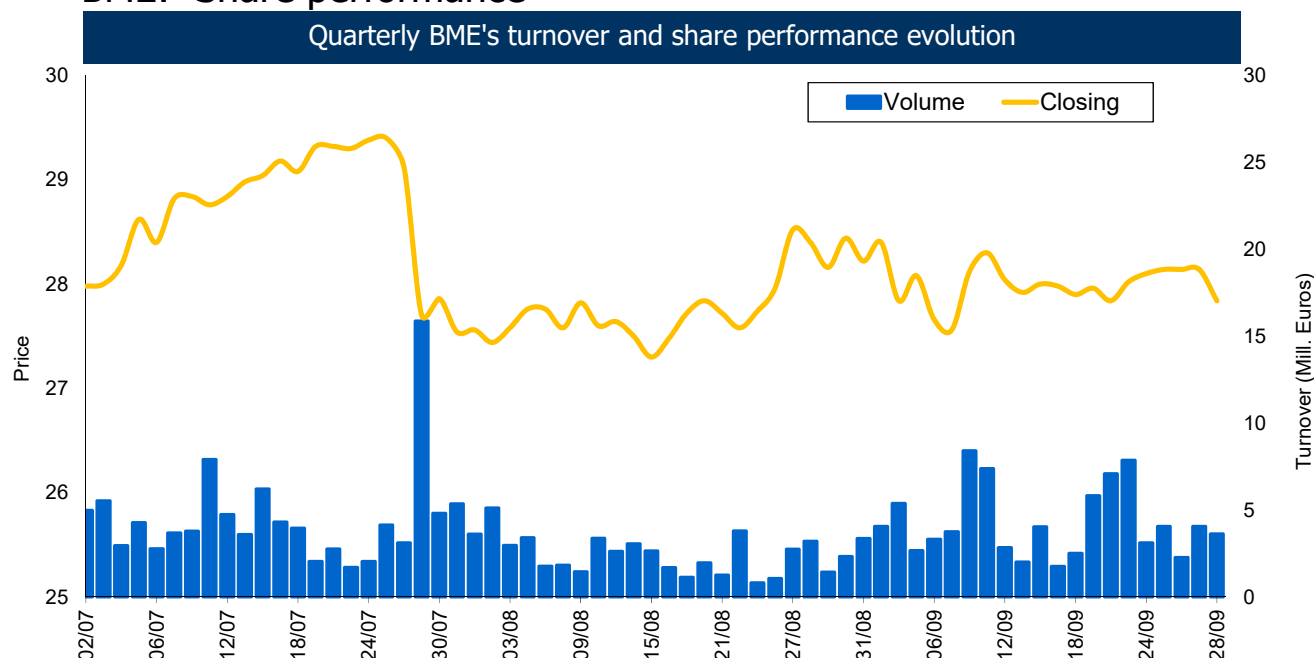
The third quarter of 2018 saw a slight downward trend in the BME trading price showing a fall of 1.6%. The share price hit a low of €27.20 and a maximum of €29.50 at the end of July to close the quarter €27.84. The performance of the market, measured using the IBEX 35® index, has been worse, ending

the quarter down 2.4% compared to the close of the previous quarter.

The number of shares traded in the third quarter remained stable at 8.6 million securities, but down 6.7% for the first nine months of 2018.

The number of trades in BME shares for the first nine months of 2018 reached 129,713, showing a fall of 13.0% compared to the previous year, which mirrors a fall of 14.6% in the daily average trading volume.

BME: Share performance



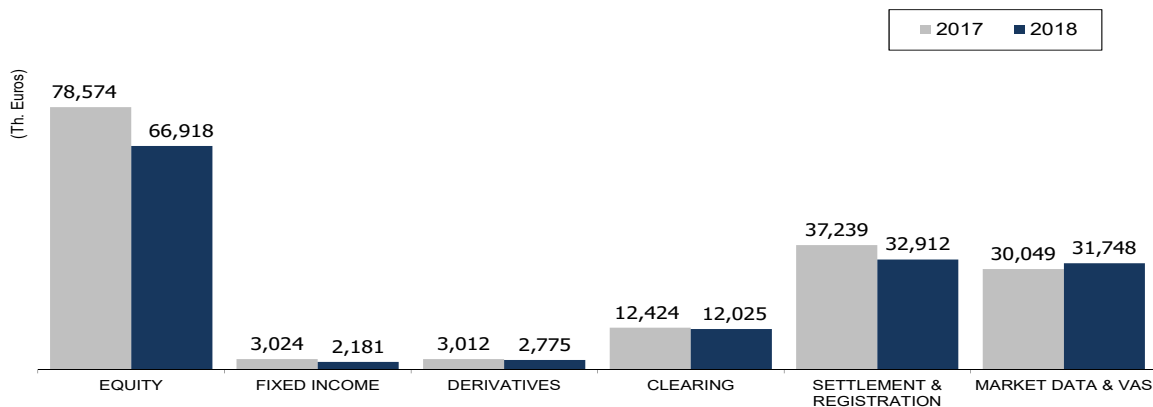
Bolsas y Mercados Españoles (Share performance)	3Q18	3Q17	Δ	9M18	9M17	Δ
BME's share performance						
Higher quote	29.50	32.65	-9.6%	30.20	33.60	-10.1%
Lower quote	27.20	28.05	-3.0%	26.20	28.00	-6.4%
Average quote	28.17	30.36	-7.2%	28.18	30.60	-7.9%
Closing quote				27.84	29.20	-4.7%
BME's trading daily turnover (Mill. Euros)						
Higher daily turnover	15.9	10.6	50.0%	15.9	13.8	15.2%
Lower daily turnover	0.8	1.7	-52.9%	0.8	0.8	0.0%
Average daily turnover	3.7	4.0	-7.5%	4.1	4.8	-14.6%
BME's shares trading (Mill. Shares)						
	8.6	8.6	0.0%	28.0	30.0	-6.7%
BME's number of trades						
	39,078	48,150	-18.8%	129,713	149,034	-13.0%

Business Units Quarter Overview

Bolsas y Mercados Españoles (Business Units 9M18) (Thousands of Euros)	Equity	Fixed Income	Derivatives	Clearing	Settlement & Registration	Market Data & VAS
Net Revenues	97,096	5,700	8,285	19,613	44,492	49,662
Operating Costs	(30,178)	(3,519)	(5,510)	(7,588)	(11,580)	(17,914)
EBITDA	66,918	2,181	2,775	12,025	32,912	31,748

Key Investment Highlights Key Financial Business Units overview

EBITDA evolution by Business Unit (9M18)



Bolsas y Mercados Españoles	Net Revenues					
Business Units Net Revenues (Thousands of Euros)	3Q18	3Q17	Δ	9M18	9M17	Δ
Equity	29,497	33,460	-11.8%	97,096	109,547	-11.4%
Fixed Income	1,931	1,975	-2.2%	5,700	6,531	-12.7%
Derivatives	2,588	2,616	-1.1%	8,285	7,735	7.1%
Clearing	5,861	6,319	-7.2%	19,613	19,685	-0.4%
Settlement & Registration	14,544	16,217	-10.3%	44,492	49,062	-9.3%
Market Data & VAS	16,702	15,451	8.1%	49,662	46,749	6.2%
Total	71,123	76,038	-6.5%	224,848	239,309	-6.0%
Corporate Unit	4,572	4,695	-2.6%	13,715	15,155	-9.5%
Consolidation adjustments	(4,274)	(4,487)	-4.7%	(13,230)	(13,917)	-4.9%
Consolidated	71,421	76,246	-6.3%	225,333	240,547	-6.3%

Bolsas y Mercados Españoles	EBITDA					
Business Units EBITDA (Thousands of Euros)	3Q18	3Q17	Δ	9M18	9M17	Δ
Equity	19,475	23,061	-15.6%	66,918	78,574	-14.8%
Fixed Income	777	757	2.6%	2,181	3,024	-27.9%
Derivatives	670	1,001	-33.1%	2,775	3,012	-7.9%
Clearing	3,309	3,735	-11.4%	12,025	12,424	-3.2%
Settlement & Registration	10,759	12,071	-10.9%	32,912	37,239	-11.6%
Market Data & VAS	10,763	9,963	8.0%	31,748	30,049	5.7%
Total	45,753	50,588	-9.6%	148,559	164,322	-9.6%
Corporate unit	(4,208)	(1,466)	187.0%	(10,798)	(5,296)	103.9%
Consolidation adjustments						
Consolidated	41,545	49,122	-15.4%	137,761	159,026	-13.4%

Note: The information presented for the third quarter and nine months of 2017 of the Derivatives, Clearing and Market Data & VAS business units as well as the amount of eliminations correspond to proforma data in which, for comparability purposes, have been collected as if had been produced linearly from January 1, 2017, the economic effects resulting from the agreements between the different infrastructures of the Group as a result of their adaptation to the MIFID II regulations, which were fully booked in the fourth quarter of 2017. Therefore, the information corresponding to the third quarter and to the first nine months of 2017 differs from public information presented in the year 2017.

Equity

Up until the close of the third quarter of 2018, the Equity unit obtained €97,096 thousand in net revenue, 11.4% down on that obtained during the same period the previous year.

In terms of the year to date the listing services performance has come down relatively less compared to the revenue deriving from trading and which we now identify as originating from “transaction and regarding characteristics of the orders”. Up until September, the net revenue for listing and other services fell by 7.1% year-on-year to €17,428 thousand, whereas that obtained for transactional operations fell by 12.2% to €79,668 thousand. The third quarter showed a decrease of 7.4% year-on-year for the listing segment and a decrease of 12.9% for trading, the final figures being €5,983 thousand in the first instance and €23,514 thousand in the second.

17.9% of the cumulative net revenue of the unit for 2018 up until September relates to the contribution of the listing of equity

products, whereas 82.1% corresponded to the contribution of the trading in listed products.

Costs during the third quarter fell by 3.6% compared to the third quarter of 2017, with the total amount for the nine months standing at €30,178 thousand, 2.6% down year-on-year.

After deducting the operating costs of the unit, the EBITDA for the third quarter of the year totalled €19,475 thousand and €66,918 thousand for the year up until September. These amounts have fallen compared to the previous year by 15.6% and 14.8%, respectively.

Equity turnover totalled €115.1 billion during the third quarter, 10.3% down year-on-year. Over the year as a whole, turnover totalled €454.8 billion, 7.8% less than the same period of the previous year.

Bolsas y Mercados Españoles (Equity Business Unit Income) (Th.Eur.)	3Q18	3Q17	Δ	9M18	9M17	Δ
Equity						
Net Revenues	29,497	33,460	-11.8%	97,096	109,547	-11.4%
Per transaction and regarding characteristics of the orders	23,514	26,998	-12.9%	79,668	90,781	-12.2%
Listing and other services	5,983	6,462	-7.4%	17,428	18,766	-7.1%
Operating Costs	(10,022)	(10,399)	-3.6%	(30,178)	(30,973)	-2.6%
EBITDA	19,475	23,061	-15.6%	66,918	78,574	-14.8%

Bolsas y Mercados Españoles (Equity Business Unit Activity Overview)	3Q18	3Q17	Δ	9M18	9M17	Δ
TRADING (Mill. Euros)	115,100	128,249	-10.3%	454,795	493,382	-7.8%
Equity						
Turnover (Mill. Euros)	114,560	127,454	-10.1%	452,099	490,052	-7.7%
Of securities with 0,3 bps trading fee	93,228	98,341	-5.2%	312,654	342,435	-8.7%
Rest of securities	21,332	29,113	-26.7%	139,445	147,617	-5.5%
Number of trades	9,790,978	11,637,058	-15.9%	33,047,467	38,199,603	-13.5%
Average amount per trade (Euros)	11,701	10,952	6.8%	13,680	12,829	6.6%
Exchange Traded Funds (ETFs)						
Turnover (Mill. Euros)	455	699	-34.9%	2,393	2,991	-20.0%
Number of trades	14,668	17,277	-15.1%	67,547	70,282	-3.9%
Warrants						
Turnover (Mill. Euros)	85	96	-11.5%	303	339	-10.6%
Number of Trades	18,153	20,094	-9.7%	64,289	75,441	-14.8%
Number of shares (Mill. Shares)	25,987	44,651	-41.8%	106,761	167,305	-36.2%
LISTING						
Number of Companies listed				3,027	3,219	-6.0%
Market Capitalisation listed (Mill.Euros)				1,093,396	1,155,746	-5.4%
Investment Flows channeled through Exchange (Mill. Euros)						
New listed companies	2,452	3,383	-27.5%	3,508	7,007	-49.9%
Already listed companies	3,804	12,118	-68.6%	8,499	29,252	-70.9%

Business Units Quarter Overview

The number of trades in the third quarter was down by 15.9% on the third quarter of 2017, and by 13.5% over the first nine months of the year.

The decreases registered in the trading of equity has also been reproduced in different percentages in other equity products admitted to trading on the BME systems. The third quarter of 2018 saw a decrease in the turnover traded in warrants and certificates of 11.5% compared to the third quarter of 2017 and 10.6% for the year overall. A similar behaviour has been observed in exchange traded funds (ETFs) with a quarterly fall in the turnover traded of 34.9% and a decrease of 15.1% in the number of trades, compared to the third quarter of 2017.

The capitalisation of the companies listed for trading on the markets managed by BME as at 30 September 2018, stood at €1.09 trillion, 5.4% less than at 30 September 2017 and 0.9% less than 30 June 2018. During these same periods, the IBEX 35® lost 9.6% and 2.4% of its value, respectively.

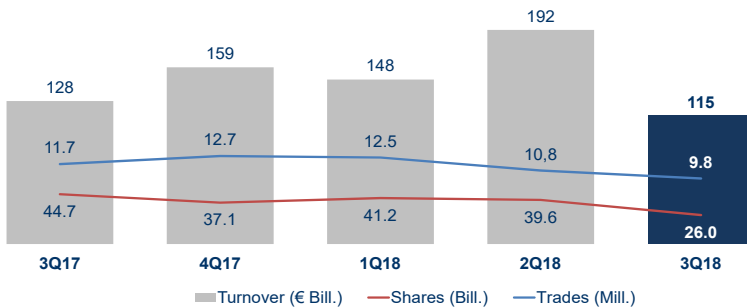
The investment funds channelled through the Stock Exchange totalled €6.3 billion for the quarter, reaching €12.0 billion for the year.

During the third quarter, 10 new REITs were admitted to trading on the Stock Exchange, all of which belong to the corresponding segment of the Alternative Securities Market (MAB). With these admissions, when added to the four admitted to trading during the first half of the year, this brings the number of REITs admitted to trading on the Spanish Stock Exchange to 65 at the close of September 2018.

The quarter also saw the admission of the company Berkeley Energía to the Stock Exchange with a capitalisation of €122.5 million and the company Alquiber Quality to the Growth Companies segment of the MAB, following which, this section of the MAB at the close of September had 42 listed issuers. In total, the number of entities admitted in the MAB as at 30 September 2018 totalled 2,856 entities, including those relating to the SICAV segment.

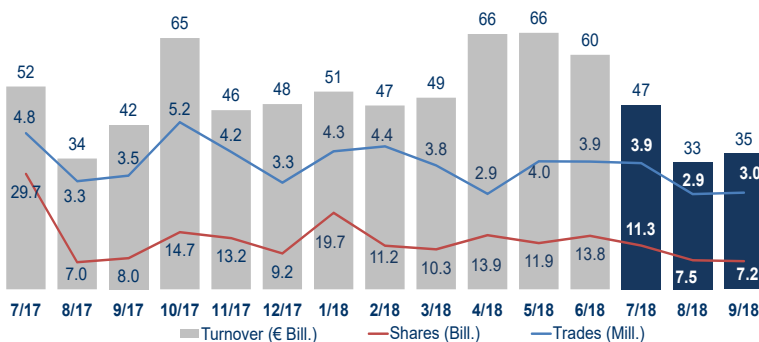
Equity Business unit Activity Overview

Turnover, trades and Shares traded (Quarterly basis)



Equity Business unit Activity Overview

Turnover, Trades and Shares (Monthly basis)



Fixed Income

Throughout 2018, the BME Fixed Income Market has been working towards covering the widest possible range of services that will provide brokers and their clients the possibility to trade in these assets, adapted to the new regulatory requirements set forth in the MiFID II regulation and with more rigorous market rules and transparency, similar to those for the equity markets. New formats have also been included, such as the option to trade according to the signs of interest for illiquid instruments, as well as an increase in the number of issues available for trade. The outstanding volume incorporated into the electronic platform available for trading at the close of September exceeded €6.8 trillion.

Of all the issues, of particular note for the quarter has been the issue of contingent convertible bonds (CoCos) by BBVA for the amount of €1 billion, joining those already admitted issued by CaixaBank and Ibercaja.

The drive behind the trading of Fixed Income on the platform, resulting from the implementation of the MiFID II Directive, has started to make itself noticed in the unit's activity. During the third quarter of 2018, trading totalled €42.0 billion, up 69.3% on the trading recorded by the platform during the same period in 2017. The accumulated electronic trading totalled €148.8 billion, representing a growth of 38.3%. The total trading on

the platform and bilaterally is up 5.9% and 18.6% down on that traded during the third quarter and for the whole of 2017, respectively, considering that under the new legislation bilateral trades performed outside of the trading platforms are no longer considered market trades.

Within the business unit, the Alternative Fixed Income Market (MARF) deserves a special mention due to its growth and the growing relevance within the business financing alternatives in Spain. It is designed to be a multilateral trading facility to efficiently include issues by companies of varying sizes, many of which do not have a presence on the capital markets and since its launch, 45 companies have used it for financing. The MARF ended the first nine months of 2018 with an accumulated issued volume of €4.4 billion, 47.8% up on the same period of the previous year, and an outstanding balance of €3.1 billion, up 31.5% year-on-year.

The net revenue for the Fixed Income business unit corresponding to the third quarter of 2018 totalled €1,931 thousand, 2.2% less than that obtained during the same quarter of 2017. From January to September, the fall in revenue is 12.7%, standing at €5,700 thousand. The EBITDA for the third quarter stands at €777 thousand, up 2.6%, whereas for the whole of the first nine months it fell 27.9% to €2,181 thousand.

Bolsas y Mercados Españoles (Fixed Income Business Unit Income) (Th.Eur.)	3Q18	3Q17	Δ	9M18	9M17	Δ
Net Revenues	1,931	1,975	-2.2%	5,700	6,531	-12.7%
Trading	1,024	1,091	-6.1%	3,255	3,839	-15.2%
Listing	907	884	2.6%	2,445	2,692	-9.2%
Operating Costs	(1,154)	(1,218)	-5.3%	(3,519)	(3,507)	0.3%
EBITDA	777	757	2.6%	2,181	3,024	-27.9%

Bolsas y Mercados Españoles (Fixed Income Business Unit Activity Overview)	3Q18	3Q17	Δ	9M18	9M17	Δ
TRADING (Mill. Euros)	42,002	39,666	5.9%	148,835	182,929	-18.6%
Platform	42,002	24,810	69.3%	148,835	107,607	38.3%
Public Debt	41,947	24,708	69.8%	148,499	107,203	38.5%
Private Fixed Income	55	102	-46.1%	336	404	-16.8%
Bilateral						
Private Fixed Income	0	14,856	-100.0%	0	75,322	-100.0%
Total Operations						
Platform	8,302	8,540	-2.8%	35,934	34,434	4.4%
Bilateral	0	4,701	-100.0%	0	24,259	-100.0%
LISTING (Mill. Euros)						
Volume admitted (nominal)	69,686	110,319	-36.8%	235,505	305,878	-23.0%
Public Debt	57,369	97,772	-41.3%	179,364	220,533	-18.7%
Private Fixed Income	10,933	11,622	-5.9%	51,735	82,363	-37.2%
MARF	1,384	925	49.6%	4,406	2,982	47.8%

Note: During the first nine months 2018 have been admitted to trading foreign Governments Bonds for the amount of €5.5 trillion, which have not been included in the figures corresponding to Public Debt.

Derivatives

The net revenue from the BME derivatives business unit grew at a rate of 7.1% for the year 2018 up until September, supported by the favourable performance of the unit's main source of revenue, the IBEX 35® futures, where the volume of traded contracts increased to 6.5% for the period. The accumulated operating costs for the first nine months of the year increased by 16.7% and the EBITDA fell by 7.9%.

In a setting of very low implied volatility levels (14.4% for the year, four decimal points lower than the previous year) the total volume of financial derivatives traded stands at 31.3 million contracts for the first nine months of 2018, representing a decrease of 3.1% year-on-year. The third quarter showed a decrease compared to the previous year of 8.7%.

The open interest in index linked derivatives at the close of the third quarter was up 12.0% compared to the same date the previous year, whereas the open interest in stock options and futures on individual shares fell by 1.7% for the year to date.

Of particular note is the performance of the younger products traded on the market, related to hedge dividends. The IBEX 35® Impacto Dividendo futures increased 3.7% during the

quarter and 24% for the year, whereas dividend futures rose 17.9% for the quarter and 77.4% for the year.

Another of the benchmark products, the IBEX 35® options, maintained an annual increase of 6.6%, in spite of the fall of 2.8% in the traded volume for the third quarter.

In the trading of electrical energy derivative products, trading continued to show a downward trend in relation to the previous year, both in quarterly terms as for the year to date, of 66.8% and 48.0% respectively, in line with what happened in the national over-the-counter (OTC) spot market for electrical energy.

With the aim of increasing the range of products, work is progressing on the 2019 launch of the currency futures contracts, which shall be called FX Rolling Spot Futures, included in the 2019-2021 BME Strategic Plan with the aim of taking advantage of the opportunities provided by regulation to attract over-the-counter trades (OTC) in derivative products to the regulated markets. These will be perpetual type contracts which will be automatically renewed at the end of the day and shall be launched in 17 currencies.

Bolsas y Mercados Españoles (Derivatives Business Unit Income) (Th.Eur.)	3Q18	3Q17*	Δ	9M18	9M17*	Δ
Net Revenues	2,588	2,616	-1.1%	8,285	7,735	7.1%
Operating Costs	(1,918)	(1,615)	18.8%	(5,510)	(4,723)	16.7%
EBITDA	670	1,001	-33.1%	2,775	3,012	-7.9%

(*) Correspond to proforma data as indicated on page 12.

Bolsas y Mercados Españoles (Derivatives Business Unit Activity Overview)	3Q18	3Q17	Δ	9M18	9M17	Δ
Financial Derivatives (number of contracts)	9,115,778	9,983,113	-8.7%	31,345,812	32,350,378	-3.1%
Index Derivatives (number of contracts)						
IBEX 35® Index Futures	1,430,789	1,441,668	-0.8%	4,730,675	4,441,737	6.5%
Mini IBEX 35® Index Futures	305,559	348,633	-12.4%	1,128,485	1,130,142	-0.1%
IBEX 35® Div Impact Futures	7,218	6,963	3.7%	36,053	29,075	24.0%
IBEX® Sectorial Futures	690	1,530	-54.9%	2,255	4,125	-45.3%
IBEX 35® Index Options	829,446	853,293	-2.8%	2,677,261	2,510,500	6.6%
Open Interest				1,211,682	1,081,657	12.0%
Total notional value (Mill.Euros)	147,627	162,854	-9.4%	501,004	491,777	1.9%
Equity Derivatives (number of contracts)						
Equity Futures	2,015,974	2,695,822	-25.2%	8,019,256	9,146,334	-12.3%
Equity dividend Futures	58,563	49,689	17.9%	344,006	193,879	77.4%
Equity Options	4,467,539	4,585,515	-2.6%	14,407,821	14,894,586	-3.3%
Open Interest				9,177,470	9,336,729	-1.7%
Total notional value (Mill.Euros)	4,388	5,473	-19.8%	15,278	17,916	-14.7%
Energy Derivatives (MWh)	1,854,178	5,581,301	-66.8%	7,776,309	14,967,522	-48.0%
Number of Trades	827,383	759,907	8.9%	2,722,434	2,462,655	10.5%

Clearing

The activity of the BME Clearing unit includes an extensive and growing variety of activities ranging from the clearing of equity cash transactions traded on the systems, the clearing and settlement of all financial and electricity derivatives, and the natural gas derivatives admitted in June this year, the clearing of fixed income securities repo trades (Spanish Public Debt reverse repos) and the clearing and settlement of over-the-counter (OTC) interest rate derivatives.

The Clearing transactions taken as a whole generated a revenue of €19,613 thousand during the first nine months 2018, practically the same as that of the same period of the previous year. The EBITDA of the unit decreased 3.2% to stand at €12,025 thousand.

The good performance in the trading of IBEX® linked derivatives has driven the clearing of these instruments, which grew by 5.7% to reach 8.6 million trades during the period January-September 2018. Whereas the trading in individual equities derivatives fell 6.0% during the same period to 22.8 million trades. The overall open position of all financial derivatives traded and cleared in the Spanish market at the end of the third quarter was 10.4 million trades, practically the same as a year ago.

In the equities segment, 66.4 million trades were processed during the first nine months of 2018, 13.5% less than in the same period of the previous year, with €872.1 billion turnover.

Turning to energy derivatives, the cleared volume during the first nine months of 2018 was 9.1 TWh, down 39.1% year-on-year. The open interest at the end of the quarter was 6.1 TWh, 39.2% less than a year before. As of June both the volume traded as well as the open interest include, in addition to electricity derivatives, the new natural gas derivatives (a volume of 1.3 TWh and an open interest of 1.2 TWh).

A total of 1,609 transactions involving fixed-income securities (repos) were cleared in the first nine months of 2018, down 53.6% year-on-year, for a value of €117.0 billion, a 48.6% decrease on the same period in 2017. July saw the announcement of the agreement between BME Clearing and NEX Markets, the operator of the main trading platform for Spanish debt repos, to make possible for BME Clearing to clear all trades executed via the platform, in which the Spanish banks have a prominent role.

Trades in interest rate derivatives in the first nine months of 2018 had a notional value of €65 million, with the open interest at the end of September of €503 million.

Bolsas y Mercados Españoles (Clearing Business Unit Income) (Th.Eur.)	3Q18	3Q17*	Δ	9M18	9M17*	Δ
Net Revenues	5,861	6,319	-7.2%	19,613	19,685	-0.4%
Operating Costs	(2,552)	(2,584)	-1.2%	(7,588)	(7,261)	4.5%
EBITDA	3,309	3,735	-11.4%	12,025	12,424	-3.2%

(*) Correspond to proforma data as indicated on page 12.

Bolsas y Mercados Españoles (Clearing Business Unit Activity Overview)	3Q18	3Q17	Δ	9M18	9M17	Δ
Financial Derivatives						
Index Derivatives (number of contracts)	2,573,702	2,652,087	-3.0%	8,574,729	8,115,579	5.7%
Equity Derivatives (number of contracts)	6,542,076	7,331,026	-10.8%	22,771,083	24,234,799	-6.0%
Open Interest (number of contracts)				10,389,152	10,418,386	-0.3%
Energy Derivatives						
Volume (MWh)	3,187,501	5,581,301	-42.9%	9,112,732	14,967,522	-39.1%
Open Interest (MWh)				6,090,601	10,017,238	-39.2%
Repo						
Turnover (€ Mill.)	40,048	62,603	-36.0%	117,029	227,538	-48.6%
Number of Operations	537	1,136	-52.7%	1,609	3,469	-53.6%
Interest Rates Derivatives						
Notional value registered (€ Mill.)	5	231	-97.8%	65	654	-90.1%
Open Interest (€ Mill.)				503	1,249	-59.7%
Equity						
Number of transactions cleared	19,646,966	23,348,582	-15.9%	66,356,536	76,682,850	-13.5%
Equity turnover cleared (€ Mill.)	226,885	256,190	-11.4%	872,144	979,486	-11.0%

Settlement & Registration

The third quarter of 2018 saw the first anniversary of the Settlement and Registration Unit completing the migration of the settlement business to Target2-Securities, thus representing the completion of the Reform of the Securities Clearing, Settlement and Registry System.

At the close of September 2018, the net revenue for the Settlement and Registration unit totalled €44,492 thousand for the current year, 9.3% down year-on-year. Of this amount, 62.1% derives from the Registration services which up until September yielded 10.8% more than in 2017. The revenue from the Settlement activities represents 16.5% and was down up until September by 47.1% compared to 2017. The remaining revenue corresponding to Other services reached €9,508 thousand for the first nine months of the year representing a decrease of 7.0% year-on-year.

During the third quarter the net revenue of the unit totalled €14,544 thousand, down 10.3% on the third quarter of 2017. The relatively better performance of the quarter is related to the Registration revenue with an increase of 6.5% to reach €9,217 thousand. Whereas the revenue for Settlement and Other services registered falls compared to the third quarter of 2017 of 45.1% and 10.1%, respectively.

The costs incurred by the unit fell compared to those of the year before both in quarterly terms, with a decrease of 8.7%, and for the year-to-date, with a fall of 2.1%.

The volume registered at the end of the third quarter of 2018 totalled €2.33 trillion, compared to the €2.29 trillion registered for the same quarter of the previous year, representing an increase of 1.5%. Of the previous volume, the volume registered in Fixed Income showed an increase of 5.7% compared to the nominal values registered a year before and the volume corresponding to Equities showed a year-on-year decrease of 5.5%, standing at €818 billion at the close of the third quarter of 2018.

In total, 6.9 million trades were settled up until September, 19.3% less than those settled at the end of the same period of the previous year. Of this figure, 2.2 million trades were settled during the third quarter of 2018. The average daily cash volume settled up until September corresponding to these operations reached €78.4 billion.

The result of this combination of revenue and expense is an EBITDA of €10,759 thousand for the unit during the third quarter of 2018, increasing the total for the nine months of the year to date to €32,912 thousand. These figures represent a fall of 10.9% and 11.6% respectively for the same periods of 2017.

Bolsas y Mercados Españoles (Settlement Business Unit Income) (Th.Eur.)	3Q18	3Q17	Δ	9M18	9M17	Δ
Net Revenues	14,544	16,217	-10.3%	44,492	49,062	-9.3%
Settlement	2,307	4,206	-45.1%	7,357	13,902	-47.1%
Registration	9,217	8,653	6.5%	27,627	24,935	10.8%
Other services	3,020	3,358	-10.1%	9,508	10,225	-7.0%
Operating Costs	(3,785)	(4,146)	-8.7%	(11,580)	(11,823)	-2.1%
EBITDA	10,759	12,071	-10.9%	32,912	37,239	-11.6%

Bolsas y Mercados Españoles (Settlement Business Unit Activity Overview)	3Q18	3Q17	Δ	9M18	9M17	Δ
Operations settled	2,219,130	2,692,305	-17.6%	6,870,462	8,515,794	-19.3%
Turnover settled (€ Billion daily avg.)				78.4	172.4	-54.5%
Volume registered - end of period- (€ Billion)				2,329.7	2,294.8	1.5%
Nominal Registered in Fixed Income				1,511.7	1,429.6	5.7%
Market Cap registered in Equity				818.0	865.2	-5.5%

Market Data & VAS

The growth in revenue from Value Added Services and the growing performance of the services provided by the unit internationally, are two of the main characteristics that define the performance of the services provided by BME in this area of the business during the third quarter of 2018, and practically during the whole year up until September.

The total net revenues of the unit reached €49,662 thousand and €16,702 thousand for the year to date and the third quarter of 2018, respectively. These figures represent increases of 6.2% and 8.1% respectively compared to the same period in 2017.

In terms of EBITDA, the unit has recorded a growth of 8.0% for the quarter, to stand at €10,763 thousand and 5.7% for the year to September, totalling €31,748 thousand.

The Value Added Services segment has gained prominence within the unit, reaching a relative weight of 39.8% at the close of September 2018, up four points year-on-year. The net revenue corresponding to the provision of these services has increased 22.3% during the quarter compared to that of 2017, and by 18.6% for the year up until September.

Turning to the scope of Value Added Services, of particular note during the quarter has been the positive performance of trading terminals as a result of the acquisition of the algorithmic trading module. Similarly, the number of order and execution feeds (FOE) resulting from the nanodriver application (ultra-low latency direct market access) and the international routing have increased compared to the same period in 2017.

Turning to the Transaction Cost Analysis (TCA) services for the preparation of reports analysing the destination and quality of the execution of orders by brokers, in compliance with the provisions set forth in the MiFID regulation, these are registering a positive acceptance in the subscription by new clients.

During the third quarter of 2018, the Colombian Stock Exchange launched the trading and order management platform (OMS) by BME Inntech for the authorisation and implementation of trading strategies on the Colombian fixed income securities market, as part of the project for the implementation of a comprehensive routing and order management solution.

With regard to the IRS Colombia project, the implementation works continue so that the Colombian Central Counterparty Clearinghouse can clear and settle instruments such as IRS (Interest Rate Swaps) and CCS (Cross Currency Swaps).

In information services and the range of real-time products, the total number of end users at the close of the third quarter fell by 2.9% compared to September 2017. During the quarter, the client base grew for both "Real-Time" products and those defined as "End of Day".

With regard to End of Day, the third quarter saw the completion of the works to launch the extended version of the Public Debt daily bulletin, which includes the price and IRR of the debt issues of the State and of the Autonomous Communities. This bulletin is now available in production for BME Market Data clients that request it.

Bolsas y Mercados Españoles (Information Business Unit Income) (Th.Eur.)	3Q18	3Q17*	Δ	9M18	9M17*	Δ
Net Revenues	16,702	15,451	8.1%	49,662	46,749	6.2%
Primary Source information services	9,938	9,919	0.2%	29,899	30,087	-0.6%
Value Added services	6,764	5,532	22.3%	19,763	16,662	18.6%
Operating Costs	(5,939)	(5,488)	8.2%	(17,914)	(16,700)	7.3%
EBITDA	10,763	9,963	8.0%	31,748	30,049	5.7%

(*) Correspond to proforma data as indicated on page 12.