

FINANCIAL SUPERVISORY COMMISSION

RS 2008 Consolidated Annual Report

(in pursuance of Par.82 Cl.2 of Minister of Finance Regulation dated 19 February 2009 –Dz.U. Nr 33, poz.259) for security Issuers running manufacturing, construction, trading or rendering services activities for fiscal year 2008, from 1 January 2008 to 31 December 2008, comprising Consolidated Financial Statement according to International Accounting Standards IASs (MSR), in PLN, in PLN, conveyance date: 30 April 2009.

SELECTED FINANCIAL DATA	[PLN thou]		[EUR thou]	
	2008	2007	2008	2007
I. Net income from sale of products, goods and materials	1 982 644	1 290 230	561 322	341 620
II. Profit (loss) from operating activity	174 929	105 735	49 525	27 996
III. Gross profit (loss)	134 858	634 528	38 181	168 007
IV. Net profit (loss)	90 254	500 713	25 553	132 576
V. Net cash flow from operating activity	52 756	-266 042	14 936	-70 441
VI. Net cash flow from investment activity	-260 981	395 703	-73 888	104 772
VII. Net cash flow from financial activity	219 072	-15 172	62 023	-4 017
VIII. Total net cashflow	10 847	114 489	3 071	30 314
IX. Total assets	3 232 871	2 601 942	774 823	726 394
X. Liabilities and reserves for liabilities	1 135 668	551 561	272 186	153 981
XII. Long term liabilities	141 622	14 916	33 943	4 164
XII. Short term liabilities	855 434	451 594	205 022	126 073
XIII. Equity	2 097 203	2 050 381	502 637	572 412
XIV. Share capital	67 633	67 633	16 210	18 881
XV. Number of shares	67 632 538	57 277 434	67 632 538	57 277 434
XVI. Net profit/loss on one common share [PLN/EUR]	1.33	8.74	0.38	2.31
Net diluted profit/loss on one common share [PLN/EUR]				
XVII. Book value on one common share [PLN/EUR]	31.01	35.80	7.43	9.99
Diluted book value on one common share [PLN/EUR]				
Declared or paid dividend on one common share [PLN/EUR]				

**I. Consolidated Balance Sheet of KOPEX S.A. Capital Group drawn up
on 31 December 2008 in thousand zlotys**

ASSETS	Note	31 December 2008	31 December 2007
I. Fixed assets	1	1 853 994	1 620 240
1. Intangible assets	2	37 009	19 084
2. Company's value	3	1 176 883	1 127 695
3. Tangible assets	4	562 912	415 912
4. Long-term receivables		1 493	3 687
4.1. due from related parties			
4.2. due from other entities		1 493	3 687
5. Long-term investments	5	30 709	29 801
5.1. Real estates		5 042	8 887
5.2. Long-term financial assets		21 511	16 673
a) in related parties		11 459	11 168
b) in other entities		10 052	5 505
5.3. Long-term financial assets available for sale		4 156	4 241
6. Long-term accruals	6	44 988	24 061
6.1. Deferred income tax assets		43 011	20 719
6.2. Other accruals		1 977	3 342
II. Current assets		1 368 842	981 702
1. Stocks	7	514 298	332 189
2. Short-term receivables	8	499 146	441 770
2.1. from related parties		1 781	1 013
2.2. from other entities		497 365	440 757
3. Short-term investments	9	171 546	178 099
3.1. Short-term financial assets		171 546	178 099
a) in related parties			
b) in other entities		7 413	28 688
c) cash and other cash assets		164 133	149 411
3.2. Short-term financial assets available for sale			
3.3. Other financial investments			
4. Short-term accruals	10	183 852	29 644
III. Fixed assets assigned to trading	11	10 035	
Total assets		3 232 871	2 601 942
LIABILITIES			
I. Equity		2 097 203	2 050 381
1. Share capital	12	67 633	67 633
2. Own shares	13	-400	
3. Supplementary capital	14	1 848 742	1 363 145
4. Capital from updating evaluation	15	-5 864	45 346
5. Other reserve capitals	16	23 523	3 903

6. Exchange rate difference resulting from conversion of subsidiaries		20 749	-683
7. Retained profit(loss)		-10 589	-3 426
8. Net profit (loss)		90 254	500 713
9. Minority shareholders capital	17	63 155	73 750
II. Liabilities and reserves for liabilities		1 135 668	551 561
1. Reserves for liabilities	18	89 343	79 374
1.1. Reserves for deferred income tax		36 301	23 851
1.2. Reserves for pensions and similar benefits		19 003	16 618
a) long-term		15 041	13 247
b) short-term		3 962	3 371
1.3. Other reserves		34 039	38 905
a) long-term		1 942	250
b) short-term		32 097	38 655
2. Long-term liabilities	19	141 622	14 916
2.1. to related parties		107	482
2.2. to other entities		141 515	14 434
3. Short-term liabilities	20	855 434	451 594
3.1. to related parties		867	111
3.2. to other entities		854 567	451 483
4. Accruals	21	49 269	5 677
a) long-term		5 629	5 113
b) short-term		43 640	564
Total liabilities		3 232 871	2 601 942

Book value		2 097 203	2 050 381
Number of shares		67 632 538	57 277 434
Book value per share(BVSP) in [PLN]	22	31.01	35.80

**II. Consolidated Profit and Loss Account of KOPEX S.A. Capital Group drawn up
on 31 December 2008 in thousand zlotys**

	Note	from 1 January 2008 to 31 December 2008	from 1 January 2007 to 31 December 2007
I. Net income from sale of products, goods and materials, incl:		1 982 644	1 290 230
- from related parties		2 597	242
1. Net income from sale of products	23	1 264 966	890 449
2. Net income from sale of goods and materials	24	717 678	399 781
II. Costs of products, goods and materials sold, incl:		1 634 896	1 076 949
- to related parties		2 178	
1. Manufacture cost of products sold	25	939 645	678 032
2. Value of goods and materials sold		695 251	398 917
III. Gross (loss) profit on sales (I-II)		347 748	213 281
IV. Other income	26	43 224	47 011
V. Selling costs	25	30 499	44 053
VI. Overheads	25	152 923	94 796
VII. Other costs	27	32 621	15 708
VIII. Operating (loss) profit (III+IV-V-VI-VII)		174 929	105 735
IX. Financial income	28	27 642	75 840
1. Dividends, incl:		2	4 002
- from related parties			
2. Interest, incl;		10 666	12 459
- from related parties			17
3. Income from investments sold			52 626
4. Revaluation of investments		1 380	2 534
5. Other		15 594	4 219
X. Financial costs	29	67 939	87 181
1. Interest, incl:		24 388	12 848
- to related parties		2	11
2. Value of investments sold			44 389
3. Revaluation of investments		39 614	1 344
4. Other		3 937	28 600
XI. Profit (loss) on sale of total number of shares or its part in the related parties			534 739
XII. Company's value contribution of the subordinated entities			
XIII. Sharing surplus in the net equitable assets value of the entity being taken over, above fusion cost		226	5 395
XIV. Gross profit (loss) (VIII+IX+X+XI+XII+XIII)		134 858	634 528
XV. Income tax	30	30 442	118 475
a) current part		28 097	129 711
b) deferred part		2 345	-11 236
XVI. Share in profit (loss) of the subordinated entities; evaluation by ownership method		89	728
XVII. (Profit) loss of the minority		-14 251	-16 068
XVIII. Net profit (loss) (XIV- XV+ XVI+ XVII)		90 254	500 713
Net profit (loss)		90 254	500 713
Average weighed number of common shares		67 632 538	57 277 434
Profit (loss) on one common share [PLN]	31	1.33	8.74

III. Consolidated Statement of Changes in Equity of KOPEX S.A. Capital Group
drawn up on 31 December 2008 in thousand zlotys

	from 1 January 2008 to 31 December 2008	from 1 January 2007 to 31 December 2007
I. Equity at the beginning of period (BO)	2 050 381	356 856
a) corrections to a comparable period		
b) essential error corrections	-1 362	3
I.a. Equity at the beginning of period (BO), after comparable data alignment	2 049 019	356 859
1.1. Share capital	67 633	3 267
a) Increase (by virtue of)		64 366
- reverse takeover		64 366
a) decrease (by virtue of)		
1.2. Share capital at the end of period	67 633	67 633
2.1. Value of own shares (minus value) at the beginning of period		
a) increase (by virtue of)	-400	
- buy back of own shares	-400	
b) decrease (by virtue of)		
2.2. Value of own shares (minus value) at the end of period	-400	
3.1. Supplementary capital at the beginning of period	1 363 145	205 458
a) corrections to a comparable period		
3.2. Supplementary capital at the beginning of period, after comparable data alignment	1 363 145	205 458
a) Increase, by virtue of:	505 676	1 173 749
-reverse takeover		1 106 654
-profit distribution	504 030	67 062
- capital from updating evaluation	306	
- buy back of own shares	400	
-consolidation correction	866	-86
-from liability amortization in composition proceedings	74	
-revaluation of tangible fixed assets		119
b) decrease (by virtue of)	20 079	16 062
- loss coverage	77	4 761
- for reserve capital	20 000	
- capital from updating evaluation	2	
-consolidation correction		158
- squaring the result of a subsidiary sale		11 143
3.3. Supplementary capital at the end of period	1 848 742	1 363 145
4.1. Capital from updating evaluation at the beginning of period	45 346	45 833
-corrections to a comparable period	-28	
4.2. Capital from updating evaluation at the beginning of period, after comparable data alignment	45 318	45 833
a) Increase (by virtue of)	2 008	6 438
- sale of tangible fixed assets	53	
- updating long-term investments	2	367
- cash-flow safeguarding	822	6 860
- deferred income tax from cash flow safeguarding	-88	-1 214
- deferred income tax from tangible fixed assets liquidation	431	
- difference between the acquired share value and contribution in kind		-320
- incorporation of a subsidiary into consolidation		320
- consolidation correction	788	425
b) decrease (by virtue of)	53 190	6 925
-sale of tangible fixed assets	2 686	3 788
- updating long-term investments	79	39
- exchange rate differences resulting from conversion		-22
- cash-flow safeguarding	62 150	472
- deferred income tax from cash-flow safeguarding	-11 740	2 648
- consolidation correction	15	

4.3. Capital from updating evaluation at the end of period	-5 864	45 346
5.1. Other capital reserves at the beginning of period	3 903	4 050
a) corrections to a comparable period		
5.2. Other capital reserves at the beginning of period, after comparable data alignment	3 903	4 050
a) increase (by virtue of)	20 020	943
- profit distribution	20	800
- other		143
- from supplementary capital	20 000	
b) decrease (by virtue of)	400	1 090
- contribution to the company's Social Benefit Fund (ZFSS)		50
- bonus installment for staff		800
- reverse takeover		240
- buy back of own shares	400	
5.3. Other capital reserves at the end of period	23 523	3 903
6.1. Exchange- rate changes resulting from conversion at the beginning of period	-683	-4
- changes in the current period	21 432	-679
6.2. Exchange- rate changes resulting from conversion at the end of period	20 749	-683
7.1. Retained profit (loss) at the beginning of period	497 287	50 933
a) corrections to a comparable period		
b) essential error corrections	-1 402	3
7.2. Retained profit (loss) at the beginning of period, after comparable data alignment	495 885	50 936
a) increase (by virtue of)	3 333	32 438
- exchange rate differences resulting from conversion	148	
-reverse takeover		17 528
-retained profit	573	
-supplementary capital	77	4 761
-squaring sale value of a subsidiary		7 667
-essential error corrections	271	
-liquidation of tangible fixed assets		
-consolidation correction	2 264	2 482
b) decrease (by virtue of)	509 807	86 800
- subsidiary incorporation into consolidation	6	
- reverse takeover		17 520
- essential error corrections	4 525	82
- income tax deferred by virtue of liquidation of tangible fixed assets	403	472
- supplementary capital	504 030	67 062
- reserve capital	20	
- profit installment for staff		800
- dividends	51	
- consolidation correction	772	864
7.4. Retained profit(loss) at the end of period	-10 589	-3 426
8. Net result	90 254	500 713
a) net profit	90 254	500 713
b) net loss		
9.1. Minority shareholders capital at the beginning of period	73 750	47 319
a) increase (by virtue of)	19 952	75 652
b) decrease (by virtue of)	30 547	49 221
9.2. Minority shareholders capital at the end of period	63 155	73 750
II. Equity at the end of period (BZ)	2 097 203	2 050 381

**IV. Consolidated Cash Flow Account of KOPEX S.A. Capital Group
drawn up for the period from 1 January 2008 to 31 December 2008 in thousand zlotys**

	from 1 January 2008 to 31 December 2008	from 1 January 2007 to 31 December 2007
A.CASH FLOW FROM OPERATING ACTIVITY		
I.Net profit (loss)	90 254	500 713
II. Total corrections	-37 498	-766 755
1. Profit (loss) of minority shareholders	14 251	16 068
2. Profit (loss) from shares of affiliates being trading companies of co-subsiidiaries	-89	-728
3. Depreciation	61 093	42 285
4. Deduction of the company's value or surplus of net equitable assets value of the entity being taken above fusion costs	-226	-5 395
5. (Profit) loss from exchange rate differences	20 484	-2 285
6. Interest and share in profit (dividends)	8 626	6 386
7. (Profit) loss from investment activity	-1 221	-553 593
8. Change in reserves	8 349	8 749
9. Change in inventories	-183 136	-214 608
10. Change in receivables	-54 732	-206 094
11. Change in liabilities (excluding loans and credits)	192 383	-14 552
12. Change in accruals	-120 237	8 835
13. Other corrections	16 957	148 177
III. Net cash flow from operating activity (I+/-II)	52 756	-266 042
B. CASH FLOW FROM INVESTMENT ACTIVITY		
I. Receipts	46 402	726 936
1. Sale of intangible, legal and material fixed assets	2 137	4 677
2. Sale of investment in real property and intangible and legal assets	9 500	
3. From financial assets, including:	3 190	664 035
a) in associated entities		612 194
- sale of financial assets		612 194
- dividends and share in profits		
- repayment of long-term loans granted		
-interest		
-other receipts from financial assets		
b) in other entities	3 190	51 841
-sale of financial assets	1 500	47 024
-dividends and share in profits	2	4 002
-repayment of long-term loans granted		
-interest	103	33
-other receipts from financial assets	1 585	782
4. Other investment receipts	31 575	58 224
II. Expenses	307 383	331 233
1. Acquisition of intangible, legal and material fixed assets	174 136	147 459
2. Investments in real properties and intangible, legal assets	5 520	
3. From financial assets, including:	106 415	155 042
a) in associated entities	104 182	128 731
- acquisition of financial assets	104 182	128 377
- long-term loans granted		
- other expenses on financial assets		354
b) in other entities	2 233	26 311
-acquisition of financial assets	1 527	25 556
- long-term loans granted		
- other expenses on financial assets	706	
4. Dividends and other shares in profits paid to minority shareholders	79	
5. Other investment expenses	21 233	28 732

III. Net cash flow from investment activity (I-II)	-260 981	395 703
C. CASH FLOW FROM FINANCIAL ACTIVITY		
I. Receipts	459 050	470 793
1. From share emission, other capital instruments and capital surcharge	560	7 291
2. Credits and loans	457 073	460 074
3. Emission of indebted securities		
4. Other financial receipts	1 417	3 428
II Expenses	239 978	485 965
1. Acquisition of own shares	400	
2. Dividends and other payments for owners		6 650
3. Payments from profit share, other than payments for owners	6 443	7 386
4. Repayment of credits and loans	201 778	446 304
5. Repurchase of indebted securities		
6. From other financial liabilities	6 626	6 712
7. Payment of liabilities from financial leasing agreements	2 550	3 483
8. Interest	21 131	13 450
9. Other financial expenses	1 050	1 980
III.Net cash flow from financial activity(I-II)	219 072	-15 172
D.TOTAL NET CASH FLOW(A.III+/- B.III+/- C.III)	10 847	114 489
E.BALANCE CHANGE IN CASH, INCL.	14 722	113 941
-change in cash from differences in exchange rates	3 875	-548
F.CASH AT THE BEGINNING OF PERIOD	149 411	35 470
G. CASH AT THE END OF PERIOD (F+/- E), INCL.:	164 133	149 411
-of restricted possibility of commanding	14 633	878