



**STATEMENT OF THE MANAGEMENT BOARD ON
THE KOPEX S.A. ACTIVITIES IN 2009**

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1. GENERAL INFORMATION ABOUT THE COMPANY

Information contained in this report includes the reporting period from 01 January 2009 to 31 December 2009 and have been prepared in accordance with the requirements of the Regulation by the Minister of Finance dated 19 February 2009 on current and periodic information conveyed by issuer of securities and conditions of recognizing as equivalent information requested by legal regulations of a country that is not a member country and in accordance with the Accounting Act dated 29.09.1994 (Dz.U Nr 121 poz.591 and subsequent amendments). Present statement contains statement of Management Board as the Company body on activities.

Kopex Company was founded by the Regulation No 128 of the Minister of Mines and Energy dated 4 November 1961 as a State-owned enterprise under the name of „Przedsiębiorstwo Budowy Zakładów Górniczych za Granicą – KOPEX“ – „KOPEX Overseas Mine Construction Company and after entering in the Register of State-owned Enterprises on 1 January 1962 started the activity as a general contractor for complete mining facilities / projects and equipment abroad. In May 1971 enterprise obtained an authorization for conducting business in the foreign trade on export and import of mining and drilling machinery and equipment, on the exclusivity basis, as well as execution of turnkey mining projects. Since 1 January 1989, as a result of reorganization made, a State-owned enterprise under the name of Przedsiębiorstwo Eksportu i Importu KOPEX / KOPEX Export and Import Company, based in Katowice was set up.

On 25 October 1993, by the Regulation No 267/Org/93 of the Minister of Industry and Trade the enterprise was transformed into a Single-Entity Partnership of State Treasury under the name of Przedsiębiorstwo Eksportu i Importu KOPEX Spółka Akcyjna / KOPEX Export and Import Joint Stock Company. On 19 November 1993 transformation act was signed and first Statutes of Association was established as an notarial act. On 3 January 1994 the Company was entered in the Commercial Register under the number RHB 10375. Share capital contained 1.989.270 bearer common shares with a par value of PLN 100.000 (after the denomination: PLN 10) each.

As a part of the privatization program, on 17 December 1996, the Cabinet adopted the Resolution No. 142 authorizing the introduction of KOPEX shares for public trading on the Warsaw Stock Exchange, the sale of at least 25% of the shares offered to the public and the acquisition of 15% of the shares by employees of KOPEX. On 4 June 1998 the Company debuted on the Warsaw Stock Exchange. Following the entry into force a new legislation on business registration in 2001, KOPEX S.A. was entered in the National Court Register under the new number: 0000026782. On 23 October 2003 the company's new name was entered in the register: KOPEX Spółka Akcyjna (currently used) and the abbreviation KOPEX S.A. was approved.

On 16 December 2004 the State Treasury made a 64,64% of KOPEX S.A. shares, as a non-cash contribution to the company Krajowa Spółka Cukrowa S.A. / National Sugar Company in exchange for shares of this company covered by the State Treasury in connection with the increase of its share capital. 9 February 2006 was a milestone in KOPEX S.A. privatization process, since National Sugar Company sold (after a public invitation) all the KOPEX S.A. shares held to the branch investor – Zabrzeńskie Zakłady Mechaniczne S.A. / Zabrze Mechanical Works Joint Stock Company (ZZM S.A.) based in Zabrze. The ZZM-KOPEX Group was set up, the biggest industrial group in the mining machinery and equipment sector in Poland. Integrated potential of the Group created the possibility of offering a comprehensive equipment and services for mining, placing the ZZM-KOPEX Group in the strict lead of the biggest global mining companies.

Another significant stage was in the second half of 2007. KOPEX S.A. issued Series B bearer shares in a public trade directed to ZZM S.A. shareholders and reverse takeover process of ZZM S.A. by KOPEX S.A. was accomplished (KOPEX S.A. entered into possession of 1.285.406 ZZM S.A. shares representing 97,57 of its share capital). As a result of this transaction KOPEX S.A.

became the dominant subject and a leader of KOPEX Capital Group which includes over 50 companies in Poland and abroad.

At the end of 2009 issue of 6.700.000 KOPEX S.A. Series C bearer shares was successfully executed. Offer on acquisition of shares was directed to the selected investors within the meaning of Art. 7, Par. 7, Item 2 of Law on Offer. On 1 December 2009 an increase of the company's share capital was entered into register and it currently amounts to PLN 74.332.538.

KOPEX S.A. has a registered seat in Katowice, 1 Grabowa Str.

1.1 SUBJECT AND SCOPE OF ACTIVITY

- According to The Polish Classification of Activities (PKD) predominant type of KOPEX S.A. activity is: **„wholesale of machinery used in mining, construction and civil engineering – PKD No 4663Z“**.

Subject of the Company's activity, according to the Polish Classification of Activities, specifies in detail § 6 of the Company's Statutes of Association. On 25 June 2009 the Ordinary General Meeting of KOPEX S.A. has made amendments to the Statutes of Association, in the scope of subject of activity of which was adapted for the current nomenclature in accordance with Polish Classification of Activities 2007. On 24.09.2009 PKD's amendments were entered in the register (KRS).

For over 48 years of existence, KOPEX S.A. specialised in conducting international trade with other countries, transforming with time into general contractor and supplier of machinery, equipment and services for mining industry.

In the scope of core activity, KOPEX's offer comprises:

- Execution of complex investments projects, in particular of mining objects. The offer is distinguished by the possibility of implementing the whole process of investments in mining:
 - project feasibility study,
 - supervision of geological surveys of the mining area and the calculation of resources deposits,
 - development of first working technology,
 - designing of extractive enterprises,
 - construction, supply and assembly of machinery, equipment and technological systems,
 - construction, development, modernization, accomplishing extraction and liquidation of mines,
 - staff training and engineering support during the investment,
- Specialized mining services involving the sinking mining shafts, underground constructions including construction and renovation of tunnels, designing services and know-how,
- Supply of machinery and technological systems for open pit mines,
- Trading in power energy,
- Export of power raw materials, in particular energy coal and coking coal

1.2 EMPLOYMENT AND SALARIES

Personnel policy of KOPEX SA in 2009 concentrated mainly on the adjustment of employment to the current needs stemmed from Company's activity and economic results. An important task carried out within the adopted personnel policy was charged employees with the new tasks and functions related to the implementation of the Capital Group's strategy. Implementation of the Capital Group's task was secured by the employment of suitably qualified and competent staff. Decrease of employment in relation to 2008 resulted from the transfer of services activities abroad to the other Company from the Capital Group.

Employment:		PEOPLE
	31.12.2009	31.12.2008
WHITE-COLLAR WORKERS	174	188
BLUE-COLLAR WORKERS	21	194
TOTAL	195	382

EMPLOYMENT COSTS:		PLN THOU
	2009	2008
SALARIES	22 376	51 881
SOCIAL INSURANCE AND OTHER BENEFITS	3 610	8 180
TOTAL	25 986	60 061

2. BASIC FINANCIAL AND ECONOMIC INDEXES

2.1 PROFIT AND LOSS UNIT STATEMENT – ANALYSIS

Implementation of the basic indexes of profit and loss statement in the year 2009, in comparison with the same period in 2008, shows the following indexes which affect the final financial result of the Company:

				PLN THOU.
	2009	2008	Variation (2-3)	Dynamism %
1	2	3	4	5
SALES INCOME	867.035	747.229	119.806	116,0%

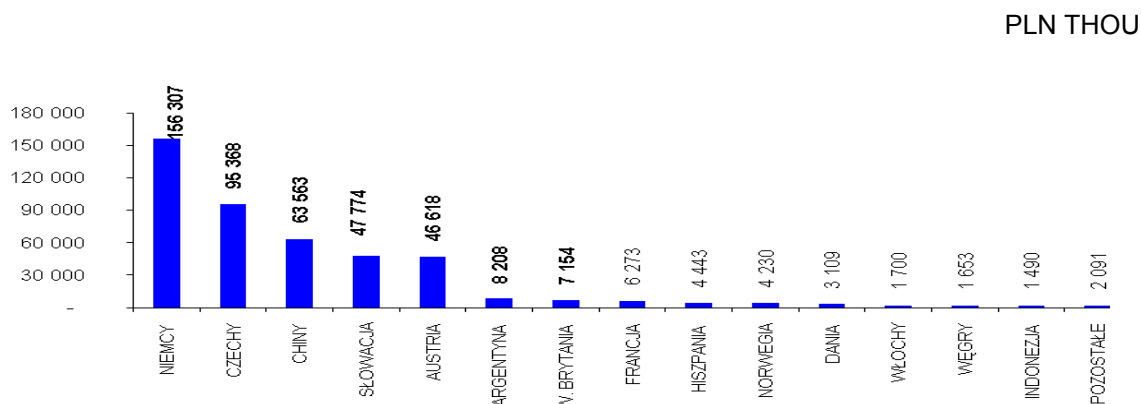
In the year 2009 sales income amounted to PLN 867.035 thou and was higher than sales income gained over the same period in 2008 by PLN 119.806 thou, i.e. by 16,0%. Increase in sales on export markets by 53,1% contributed to better results in sales volume. From January until December 2009, the Issuer has obtained income from export sale amounting to PLN 449.981 thou.

The following transactions contributed to higher income from export sale:

- o sale of electric energy to Austria, Czech Republic, Germany and Slovakia amounting to PLN 323.619 thou,
- o sale of mining machinery and equipment to China, Argentina, Hungary, Lithuania, Iran and Romania amounting to PLN 74.178 thou,
- o sale of raw materials (coal) to Austria, Denmark, Spain, Holland, Norway, Portugal, Slovakia, and Great Britain amounting to PLN 40.849 thou,

- rendering mining services in Germany, Italy, Bangladesh (consulting), Indonesia and France amounting to PLN 9.162 thou,
- other services rendered in Bulgarian, Indonesian and German markets amounting to PLN 2.173 thou.

The following figure shows the geographic structure of KOPEX's export in the period from January until December 2009:



From January until December 2009, the Issuer has obtained income from sale on domestic market amounting to PLN 417.054 thou, including:

- sale of electric energy amounting to PLN 409.708 thou,
- rendering IT services amounting to PLN 3.334 thou,
- rendering logistics services amounting to PLN 1.707 thou,
- other sales amounting to PLN 2.305 thou.

PLN THOU

	2009	2008	Variation (2-3)	Dynamism %
1	2	3	4	5
GROSS PROFIT (LOSS) ON SALE	51.295	31.513	19.782	162,8%

In the year 2009 total gross profit from sale amounted to PLN 51.295 thou and it was higher than total gross profit from sale gained over the same period in 2008 by PLN 19.782 thou, i.e. 62,8%. Company's activities connected with sale of electric energy, sales of mining machinery and equipment and sale of raw materials (coal and coke) were the most important factor that most favourably influenced gross profit from sale in 2009.

PLN THOU

	2009	2008	Variation (2-3)	Dynamism %
1	2	3	4	5
OTHER INCOME	3.640	28.328	-24.688	12,8%
SELLING COSTS	13.528	11.376	2.152	118,9%
OVERHEADS	20.176	18.573	1.603	108,6%
OTHER COSTS	9.305	21.253	-11.948	43,8%

Other income and costs generated in the period from January to Decemebtr 2009 are as follows:

PLN THOU

OTHER INCOME	31.12.2009	31.12.2008
a) sale of fixed assets	449	18 983
b) grants	37	
c) write-off's reverse on revaluation of non-financial assets, incl.:	1 972	3 401
- inventory write-offs	1 972	3 401
- debt write-offs	711	400
d) reserves reverse (due to):	711	
- cessation of the reason for reserves for liabilities,		400
- cessation of the reasons for reserves for legal claims	471	5 544
	145	101
e) others, including:	230	1 017
- received penalties, damages		23
- writing-off of liabilities		3 859
- reimbursement of operating and legal costs	96	544
- outcome on cash flow hedges in a effective part		
- others		
Other income, total	3 640	28 328

OTHER COSTS	31.12.2009	31.12.2008
a) value of fixed assets sold	288	16 040
b) created write-offs on revaluation of non-financial assets, incl.:	153	2 517
- inventory write-offs	136	409
- debt write-offs	17	2 108
c) created reserves (due to):	108	1 368
- reserve for future liabilities	108	1 368
d) others, including:	8 756	1 328
- damages, accident damages	927	341
- grants	40	66
- penalties, legal costs	79	149
- voluntary contributions	57	50
- valuation of receivables and long-term liabilities	81	78
- receivables written-off	1 790	
- liquidation of fixed assets	2	30
- outcome on cash flow hedges in a effective part	5 705	
- others	75	614
Other cost, total	9 305	21 253

In 2009 selling expenses amounted to PLN 13.528 thou and are higher than selling expenses born in comparison with the same period of 2007 by PLN 2.152 thou, i.e. by 18,9%. The increased transaction costs related with export of goods mainly contributed to the increase in selling expenses.

Overheads amounted to PLN 20.176 thou in 2009; most of them is constant, and were higher in comparsion with the same period of the previous year by PLN 1.603 thou, i.e. by 8,6%.

PLN THOU

	2009	2008	Variation (2-3)	Dynamism %
1	2	3	4	5
OPERATING PROFIT (LOSS)	11.926	8.639	3.287	138,0%

In 2009 the Company gained profit from operational activity amounting to PLN 11.926 thou and it was better than result gained over the same period of the previous year. The increase in operational activity profit amounted to PLN 3.287 thou, i.e. 38,0%.

PLN THOU				
	2009	2008	Variation (2-3)	Dynamism %
1	2	3	4	5
FINANCIAL INCOME	7.524	17.227	-9.703	43,7%
FINANCIAL COST	16.203	16.304	-101	99,4%

Financial income and cost generated during the period from January to December 2009 are as follows:

PLN THOU		
	31.12.2009	31.12.2008
FINANCIAL INCOME		
Dividends and profit participations	83	102
Financial income from interests, incl:	2 456	4 339
a) loans	1 387	3 574
- from related parties	1 387	3 571
- from other parties		3
b) other interests	1 069	765
- from related parties	301	765
- from other parties	768	
Income from investments sold	1 673	
Revaluation of investments	720	
Exchange differences, incl:		10 959
a) realized		-7 242
b) unrealized		18 201
Other financial income, incl:	2 592	1 827
a) reserves reverse (due to):	160	125
- cessation of the reason for reserves for exchange differences		
- cessation of the reasons for reserves for financial liabilities	160	125
b) others, incl:	2 432	1 702
- debt write-offs reverse	35	39
- others	2 397	1 663
Financial income, total	7 524	17 227

FINANCIAL COST	31.12.2009	31.12.2008
Financial cost from interests, incl:	7 948	8 091
a) credits and loans	7 628	8 059
- for related parties	210	3 211
- for other parties	7 418	4 848
b) other interests	320	32
- for related parties		
- for other parties	320	32
Value of investments sold	1 264	
Revaluation of investments		6 495
Exchange differences, incl:	5 523	
a) realized	224	
b) unrealized	5 299	
Other financial income, incl:	1 468	1 718
a) created reserves (due to):	176	34
- reserves for financial liabilities	176	34
- interests		
b) others, incl:	1 292	1 684
- debt write-offs	86	-64
- bank commissions	595	623
- others	612	1 125
Financial cost, total	16 203	16 304

The financial situation of the Company is illustrated by the following liquidity indices:

	31.12.2009	31.12.2008
• current index	1,34	0,81
• quick index	1,32	0,81
• cash index	0,13	0,13

The current level of indices does not pose risk for the Company's liquidity.

	PLN THOU			
	2009	2008	Variation (2-3)	Dynamism %
1	2	3	4	5
GROSS PROFIT (LOSS)	3.247	9.562	-6.315	34,0%
INCOME TAX	1.172	1.623	-451	72,2%
NET PROFIT (LOSS)	2.075	7.939	-5.864	26,1%

Company's net profit in 2009 amounted to PLN 2.075 thou and it was lower in comparison with net profit in the same period of the previous year by PLN 5.864 thou. Lower net profit was mainly affected by the factors which had a negative impact during the analysis period. These factors are:

high financial costs associated with the interests on loans taken to finance the canvassing and implementation of commercial contracts and exchange differences losses.

2.2 STATEMENT ON FINANCIAL SITUATION AND ITS STRUCTURE

Comprasion of assets and liabilities:

PLN THOU					
BALANCE SHEET	31.12.2009	Structure 2009	31.12.2008	Structure 2008	Dynamism 2009/2008
Assets					
Fixed assets	1 271 927	83,0%	1 229 660	84,2%	103,4%
Intangible assets	2 367	0,1%	1 544	0,1%	153,3%
Tangible assets	17 896	1,2%	18 558	1,3%	96,4%
Real assets investments	1 287	0,1%	1 287	0,1%	100,0%
Long--term financial assets avaiable for sale	1 264	0,1%	2 528	0,1%	50,0%
Long-term trade receivables			137	0,0%	
Other long- term receivables	824	0,1%	875	0,1%	94,2%
Long- term loans granted	23 056	1,5%	14 441	1,0%	159,7%
Other long- term financial assets	1 211 601	79,0%	1 175 435	80,5%	103,1%
Deffered income tax assets	13 632	0,9%	14 855	1,0%	91,8%
Long-term accruals					
Current assets	259 848	17,0%	230 447	15,8%	112,8%
Stocks	2 869	0,2%	7 489	0,5%	38,3%
Short-term trade receivables	105 234	6,9%	113 605	7,8%	92,6%
Other short-term receivables	43 549	2,9%	55 914	3,9%	77,9%
Short-term loans granted	73 768	4,8%	10 256	0,7%	719,3%
Current income tax receivables			2 894	0,2%	
Short-term financial assets avaiable for sale					
Derivatives	8 299	0,5%	155	0,0%	5354,2%
Financial assets at fair value through profit or loss					
Cash and cash equivalents	24 823	1,6%	38 344	2,6%	64,7%
Short-term accruals	1 306	0,1%	1 790	0,1%	73,0%
Total assets	1 531 775	100,0%	1 460 107	100,0%	104,9%

PLN THOU					
BALANCE SHEET	31.12.2009	Structure 2009	31.12.2008	Structure 2008	Dynamism 2009/2008
Liabilities					
Equity	1 319 916	86,2%	1 152 727	78,9%	114,5%
Share Capital	74 333	4,9%	67 633	4,6%	109,9%
Own shares	-2 979	-0,2%	-400	0,0%	744,8%
Capital reserve	1 259 981	82,3%	1 101 696	75,5%	114,4%
Revaluation reserve	-30 515	-2,0%	-43 471	-3,0%	69,8%
Other reserve capital	17 021	1,1%	19 600	1,3%	86,8%
Exchange differencies from translation					
Retained profits	2 075	0,1%	7 939	0,5%	26,1%
Long-term liabilities	7 454	0,5%	8 133	0,6%	91,7%
Long-term credits and loans					
Long-term trade liabilities			718	0,1%	
Other long-term liabilities	848	0,1%	1 120	0,1%	75,7%
Reserves for deferred income tax	6 287	0,4%	6 037	0,4%	104,1%
Long-term reserve for pensions	319	0,0%	258	0,0%	123,6%
Other long-term reserves for liabilities					
Short-term liabilities	204 405	13,3%	299 247	20,5%	68,3%
Short-term credits and loans	63 213	4,1%	138 052	9,5%	45,8%

Short-term trade liabilities	69 986	4,6%	65 961	4,5%	106,1%
Other short-term liabilities	31 342	2,0%	24 076	1,6%	130,2%
Current income tax liabilities					
Derivatives	29 498	1,9%	57 727	4,0%	51,1%
Financial liabilities at fair value through profit or loss					
Short-term reserve for pensions	220	0,0%	309	0,0%	71,2%
Other short-term reserves for liabilities	10 146	0,7%	13 122	0,9%	77,3%
Accruals					
Total liabilities	1 531 775	100,0%	1 460 107	100,0%	104,9%

On 31 December 2009 balance value amounted to PLN 1.531.775 thou and rose by 4,9% in comparison with the balance value on 31 December 2008. Basically, increase of assets in the fixed assets by 3,4% and also in the current assets by 12,8% contributed to balance value increase. There was increase in the equity group by PLN 167.189 thou and decrease in the long-term liabilities by PLN 679 thou, i.e. by 8,3% and in the short-term liabilities by PLN 94.842 thou, i.e. by 31,7%.

Horizontal analysis shows that the most important changes in 2009 were in the following elements of balance:

- enhancement in the current assets group from PLN 230.447 thou to PLN 259.848 thou, i.e. by 12,8%; this increase was affected by:
 - enhancement in short-term loans granted by PLN 63.512 thou to PLN 73.768 thou, i.e. by 619,3%;
 - enhancement in derivatives from PLN 155 thou to PLN 8.299 thou;
 - diminution in stocks from PLN 7.489 thou to PLN 2.869 thou, i.e. by 61,7%;
 - diminution in short-term trade receivables by PLN 8.371 thou to PLN 105.234 thou, i.e. by 7,4%;
 - diminution in other short-term receivables from PLN 55.914 thou to PLN 43.549 thou, i.e. by 22,1%;
 - diminution in cash and cash equivalents from PLN 38.344 thou to PLN 24.823 thou, i.e. by 35,3%;
 - diminution in short-term accruals from PLN 1.790 thou to PLN 1.306 thou, i.e. by 27,0%

- increase in the fixed assets group in 2009, in comparison with the value in 2008 by PLN 42.267 thou, i.e. by 3,4%; this increase was basically affected by:
 - enhancement in intangible assets by PLN 823 thou, i.e. by 53,3%;
 - enhancement in long-term loans granted by PLN 8.615 thou, i.e. by 59,7%;
 - enhancement in other long-term financial assets by PLN 36.166 thou, i.e. by 3,1%;
 - diminution in fixed assets, in intangible assets by PLN 662 thou, i.e. by 3,6%, in long-term financial assets available for sale by PLN 1.264 thou, i.e. by 50,0%, in long-term trade receivables by PLN 137 thou, in other long-term receivables by PLN 51 thou, i.e. by 5,8% and in deferred income tax assets by PLN 1.223 thou, i.e. by 8,2%.

Equity was increased by PLN 167.189 thou, mainly through enhancement of capital reserve by PLN 158.285 thou, i.e. by 14,4%.

In the year 2009 long-term liabilities were decreased by PLN 679 thou in comparison with the year 2008; this decrease was basically affected by:

- diminution in long-term trade liabilities by PLN 718 thou;
- diminution in other long-term liabilities by PLN 272 thou, i.e. by 24,3%;

- enhancement in reserve for deferred income tax by PLN 250 thou, i.e. by 4,1% and in long-term reserve for pensions by PLN 61 thou, i.e. by 23,6%.

In the year 2009 short-term liabilities were decreased by PLN 94.842 thou in comparison with the year 2008; this decrease was basically affected by:

- diminution in short-term credits and loans by PLN 74.839, i.e. by 54,2%;
- diminution in derivatives by PLN 28.229 thou, i.e. by 48,9%;
- diminution in short-term reserve for pensions by PLN 89 thou, i.e. by 28,8%;
- diminution in other short-term reserves for liabilities by PLN 2.976 thou, i.e. 22,7%;
- enhancement in short-term trade liabilities by PLN 4.025 thou, i.e. by 6,1% and in other short-term liabilities by PLN 7.266 thou, i.e. by 30,2%.

2.3 SELECTED FINANCIAL AND ECONOMIC INDICATORS

Table below shows selected financial and economic indicators for the year 2009 in relation to the year 2008.

	2009	2008
PROFITABILITY INDICES		
Gross profit margin index (gross profit / sales income) x 100	5.92	4.22
Operating margin index (operating activity profit / sales income) x 100	1.38	1.16
Operating margin index – EBITDA (operating profit + depreciation / sales income) x 100	1.62	1.50
Net profit margin index (net profit / sales income) x 100	0.24	1.06
Return on equity index (net profit / average share capital) x 100	0.17	0.68
Return on assets (net profit / average equity) x 100	0.14	0.60
LIQUIDITY INDICES		
Current index (current assets / current liabilities)	1.34	0.81
Quick index (current assets – stock / current liabilities)	1.32	0.78
Immediate index (cash / current liabilities)	0.13	0.13
MANAGEMENT EFFICIENCY INDICES		
Turnover (times) index (sales income / average trade receivables)	7.92	5.55
Receivables turnover (days) index (number of days in the period / receivables turnover (times))	46 days	66 days
Liabilities turnover (times) index (cost of goods, products and materiale sold + costs of sale and overheads / average trade liabilities)	12.36	7.52
Liabilities turnover (days) index (number of days in the period / liabilities turnover (times))	30 days	49 days
Inventory turnover (times) index (income from sale of goods / average inventories of goods)	183.17	122.89
Inventory turnover (days) index (number of days in the period / stuck turnover ratio (times))	2 days	3 days
SOLVENCY INDICES		
Times interest earned index (gross profit + interest / interest)	1.41	2.18

Debt index (total liabilities / assets) x 100	13.83	21.05
Equity index (equity / assets) x 100	86.17	78.95
Debt equity index (average liabilities / equity) x 100	19.67	28.74

3. CAPITAL GROUP. INFORMATION ABOUT CHANGES IN ORGANIZATIONAL OR CAPITAL AFFILIATIONS OF THE COMPANY. INFORMATION ABOUT MAJOR DOMESTIC AND FOREIGN INVESTMENTS.

3.1 DESCRIPTION OF THE ORGANIZATION OF THE ISSUER'S CAPITAL GROUP.

Capital Group operates in the worldwide mining industry and is consisted of a parent company – a public company KOPEX S.A. and the organizational and capital related subsidiaries and indirect subsidiaries. Group is composed of over 50 Polish and foreign companies. Kopex Group has its foreign companies among others in Germany, Czech Republic, Republic of South Africa, China, Indonesia and Australia.

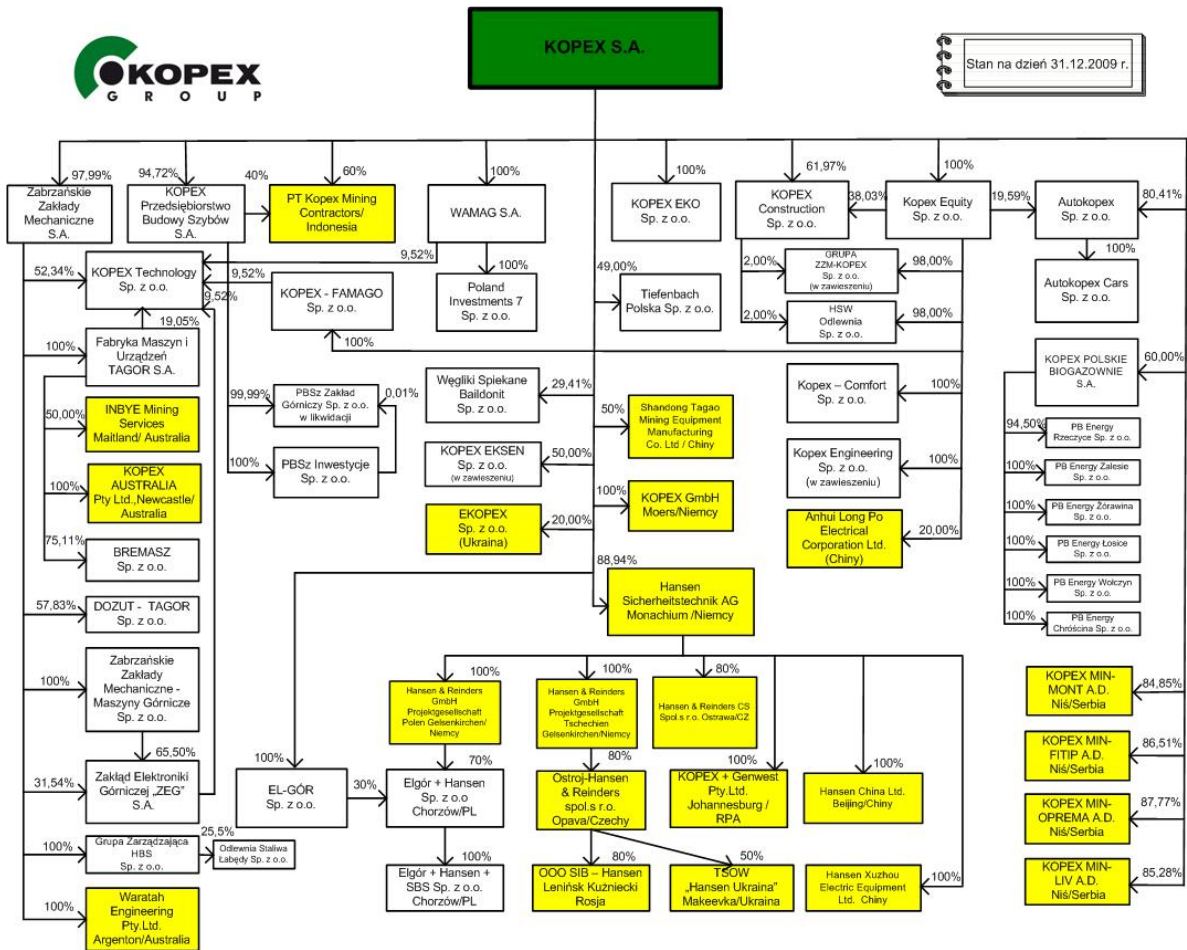
„KOPEX“ as a leader of the Group acts as management of the holding, sets strategy for the development of the Capital Group, indicates lines of the Group activities in the sphere of production and services.

Since July 2009, the Group exists under a new name „GRUPA KOPEX“ / „KOPEX GROUP“ and uses a new logo for visual identification of the Group:



The new name along with the logo will allow consumers to recognize and remember the appropriate brand image, creating a unified and consistent brand image in the minds of customers and business partners.

Structure of KOPEX Capital Group



3.2 MARKET POSITION OF THE ISSUER'S CAPITAL GROUP.

- full range of products and technology for coal mining (underground mining, open-pit mining):
 - mining machinery and equipment, electronics for mining machinery, electrical and electronics systems for mines,
 - ability to offer the whole longwall system in each market,
 - innovative and technologically advanced products and own solutions ,
- presence in all major mining markets in the world,
- diversified portfolio of clients:
 - leading mining corporations in the world (Vale, Shenhua, Anglo American...),
 - largest coal mines in Poland as well as energy producers (BOT, Jastrzębska Spółka Węglowa / Jastrzebie Coal Company, Katowicki Holding Węglowy, Kompania Węglowa, PGE)

3.3 INFORMATION ABOUT CHANGES IN ORGANIZATIONAL OR CAPITAL AFFILIATIONS OF THE ISSUER AND INFORMATION ABOUT MAJOR DOMESTIC AND FOREIGN INVESTMENTS, INCLUDING CAPITAL INVESTMENTS CARRIED OUT OUTSIDE THE CAPITAL GROUP.

(information includes the period from 1 January 2009 to 31 December 2009 together with amendments during the preparation of annual report)

1) On 25 June 2009 the General Meeting of Shareholders of the Company adopted a resolution on changes in the Statutes of Association of the Company and on authorisation of the Management Board to raise share capital of the Company through share issue with option of depriving present shareholders of their rights to acquire new shares in the whole. The change in Cl. 11a of the Statutes of Association of the Company resulting from the Resolution was legally valid registered by Decision of the District Court in Katowice, the Eight Commercial Division of the National Court Register on 24 September 2009. On 2 November 2009 the Management Board of the Company basing on the aforesaid authorisation adopted a resolution on raising share capital of the Company within the in-coming capital by share issue in the equity not exceeding 6,700,000 Series C share of nominal value PLN 1.00 each and depriving present shareholders of their rights to acquire new shares. Dom Maklerski BZ WBK S.A. / BZ WBK Brokerage Home S.A. with registered seat in Poznań was the entity offering the shares. All the shares were offered for acquisition to investors selected by the Management Board, in compliance with with Art. 7 Par. 3 Item 2) of the Law on Offer, i.e. to the investors who on the day of determining issue price are going to acquire Shares of the value amounting to at least 50.000 (say:fifty thousand) EUR, calculated in accordance with their issue price. On 9 November 2009 the Management Board of the Company adopted resolution in which the issue price of common bearer Series C shares was determined at the value amounting to PLN 23,50, on the grounds of Cl. 11a of the Statutes of Association. The Issue Price was approved by the Supervisory Board and determined considering recommendation of Dom Maklerski BZ WBK S.A. / BZ WBK Brokerage House S.A. with registered seat in Poznań, as the Issuer, based on the outcomes resulting from creating demand book. All the offered shares were acquired by 51 investors and the value of the shares issue amounted to PLN 157.450.000. On 1 December 2009 the Company received the decision on registration raising the Company's share capital and registration of 6.700.000 common bearer Series C shares. After registration share capital of the Company amounts to PLN 74.332.538,00 (say: seventy four million three hundred thirty two and five hundred thirty eight) and to the number of 74.332.538,00 (say: seventy four million three hundred thirty two and five hundred thirty eight) shares of nominal value 1.00 zloty (say: one zloty) each, including:

- a) 19.892.700 (say: nineteen million eight hundred ninety two thousand and seven hundred) common bearer Series A shares,
- b) 47.739.838 (say: forty seven million seven hundred thirty nine thousand and eight hundred thirty eight) common bearer Series B shares and
- c) 6.700.000 (say: six million and seven hundred) common bearer Series B shares.

On the grounds of the Resolution No. 700/2009 of the Management Board of the GPW/WSE in Warsaw , 6.700.000 common bearer Series C shares were admitted to trading on an official stock-exchange primary market and starting from 14 December 2009 the aforesaid shares were implemented to trading on an official stock-exchange primary market at usual procedure, subject to registration of the shares by Krajowy Depozyt Papierów Wartościowych S.A./National Depository of Securities on 14 December 2009. Since 14 December 2009 there are altogether 74.332.538 shares quoted designated with PLKOPEX00018 code (before the change there was 67.632.538 KPX shares quoted). In the evaluation of the Issuer, shares issue was successful and allowed the Issuer to obtain funding for further canvassing to increase the value of the Company and for the Group's development and its strengthening. Part of the funding of the above mentioned issue was earmarked for the purchase of shares of Rybnicka Fabryka Maszyn „Ryfama“.

2) Acquisition of shares by the Issuer or the KOPEX Group's entities:

a) acquisition of shares of the EL-GÓR Sp. z o.o. with a registered seat in Chorzów and its transformation into a joint stock company:

On 28.01.2009 KOPEX S.A. signed „Share purchase promised agreements“ with partners of the EL-GÓR Sp. z o.o. with registered seat in Chorzów. Under those agreements KOPEX S.A. became the sole partner of the EL-GÓR Sp. z o.o. (entity in the Group of the Issuer's subsidiary Hansen Sicherheitstechnik AG with registered seat in Munich/Germany). The subject of activity of this company is the manufacture of switchgear and control gear, service activities related to installation, repair and maintenance of switchgear and control gear, manufacture of electrical equipment, sales of equipment and machinery, rental of machinery and equipment. On 23.07.2009 the Assembly of Partners of the EL-GÓR Sp. z o.o. with a registered seat in Chorzów adopted a changes in the company's agreement concerning the increase of its share capital from PLN 63.000 thou to PLN 100.000 thou through the 37 new shares with a nominal value PLN 1.000 thou each. On 1.10.2009 the change was legally valid registered by the Court of Registration. All the new shares were by acquired by the sole partner KOPEX S.A. On 26.02.2010 the Assembly of Partners adopted a decision on transformation the EL-GÓR Sp. z o.o. into a joint stock company in accordance with Art. 551 of the Commercial Companies Code. On 6.04.2010 the decision was legally valid registered by the Court of Registration. Share capital of the joint stock company amounts PLN 100.000 thou and to the number of 10.000 registered shares of nominal value PLN 10 each.

b) acquisition of shares of KOPEX POLSKIE BIOGAZOWNIE S.A. with registered seat in Gliwice (currently in Zabrze) by KOPEX S.A.:

On 3 March 2009 KOPEX S.A. and three natural persons signed an authenticated deed of a joint stock company establishment under name of KOPEX POLSKIE BIOGAZOWNIE SPÓŁKA AKCYJNA with registered seat in Gliwice. Share capital amounts to PLN 2.000.000,00 and is divided into 2.000.000,00 A-series registered shares of nominal value of PLN 1.00 each. Subject of activity of KOPEX POLSKIE BIOGAZOWNIE SPÓŁKA AKCYJNA is construction and exploitation of a biogas plant (projects will be executed by the company's subsidiaries) as well as organization of financing the project. KOPEX SA based in Katowice has acquired 1.200.000 A-series registered shares of total nominal value amounting to PLN 1.200.000,00, making 60% of the company's share capital and entitling to 60% votes at the General Meeting of Shareholders of the Company. There are also three natural persons-founders of KOPEX POLSKIE BIOGAZOWNIE S.A. and there are connections neither between them and the KOPEX S.A. nor between them and the managing and supervising persons. On September 2009 KOPEX POLSKIE BIOGAZOWNIE S.A. (hereafter KPB) has acquired shares in the following subsidiaries: PB Energy Rzeszyce Sp. z o.o. (share capital amounts to PLN 200.000 thou and is divided into 2000 shares, KPB has 94,5% of the share capital and the same number of votes at the Assembly of Partners), PB Energy Zalesie Sp. z o.o. (share capital amounts to PLN 50.000 thou and is divided into 500 shares, KPB has 100,0% of the share capital and the same number of votes at the Assembly of Partners), PB Energy Żórawina Sp. z o.o. (share capital amounts to PLN 50.000 thou and is divided into 500 shares, KPB has 100,0% of the share capital and the same number of votes at the Assembly of Partners), PB Energy Łosice Sp. z o.o. (share capital amounts to PLN 50.000 thou and is divided into 500 shares, KPB has 100,0% of the share capital and the same number of votes at the Assembly of Partners), PB Energy Wolczyn Sp. z o.o. (share capital amounts to PLN 50.000 thou and is divided into 500 shares, KPB has 100,0% of the share capital and the same number of votes at the Assembly of Partners), PB Energy Chróścina Sp. z o.o. (share capital amounts to PLN 50.000 thou and is divided into 500 shares, KPB has 100,0% of the share capital and the same number of votes at the Assembly of Partners). Companies are at the stage of investment preparation and the production has not been started yet. (Polish Classification of Activities / PKD – 35.11.Z Electricity generation).

c) acquisition of shares of Australian company WARATAH ENGINEERING PTY.LTD with registered seat in Argenton, New South Wales/Australia by ZZM S.A.:

On 22 October 2009, Zabrzańskie Zakłady Mechaniczne S.A./Zabrzańskie Mechanical Works based in Zabrze (the Issuer's subsidiary) has acquired, together with KOPEX S.A. as the guarantor, 100% of shares of the Australian company WARATAH ENGINEERING PTY.LTD with registered seat in Argenton, New South Wales/Australia for the total price of AUD 3.000.000,00. Financial means of the ZZM S.A. based in Zabrze made source of financing of the acquired assets. Capital of the WARATAH ENGINEERING PTY.LTD amounts to AUD 100.000,00 and is divided into 100.000 shares of nominal value of AUD 1,00 each. Subject of activity of the acquired company is manufacture of mining machinery and equipment and it fits perfectly with the business mix of KOPEX Group and strengthen the Capital Group. Acquisition of the shares is a part of the KOPEX Group development strategy which aims to improve the competitive position of the entire region of the Southeast Asia, Australia, New Zeland and RSA. Currently, KOPEX Group has three companies in Australia (INBYE MINING SERVICES Pty Ltd. based in Maitland, KOPEX AUSTRALIA Pty Ltd. based in Newcastle and WARATAH ENGINEERING PTY.LTD based in Argenton).

d) increase of KOPEX S.A. shareholding in Serbian companies:

1) On 7.12.2009 the Issuer has become aware that Central Securities Depository and Clearing House of Serbia has conveyed own shares of Serbian companies – subsidiaries of KOPEX S.A. in the below mentioned quantities (resulting from financing by KOPEX S.A. compulsory investments, in accordance with agreements on share acquisition of these companies):

- 10.935 shares of **KOPEX MIN–MONT A.D.** making 18,39% of the share capital and the same number of votes at the general meeting of shareholders. At present KOPEX S.A. holds altogether 50.453 shares of the KOPEX MIN-MONT A.D. which make 84,85% of the share capital and entitle to 50.453 votes at the general meeting, making also 84,85% of the total number of votes.
- 73.790 shares of **KOPEX MIN–FITIP A.D.** making 8,40% of the share capital and the same number of votes at the general meeting of shareholders. At present KOPEX S.A. holds altogether 761.428 shares of the KOPEX MIN-FITIP A.D. which make 86,51% of the share capital and entitle to 761.428 votes at the general meeting, making also 86,51% of the total number of votes.
- 85.928 shares of **KOPEX MIN–OPREMA A.D.** making 17,06% of the share capital and the same number of votes at the general meeting of shareholders. At present KOPEX S.A. holds altogether 442.164 shares of the KOPEX MIN-FITIP A.D. which make 87,77% of the share capital and entitle to 442.164 votes at the general meeting, making also 87,77% of the total number of votes. The Issuer informed about signing agreement on acquiring shares of the companies in question in the current report No. 167/2007 dated 26.07.2007.

Subject of activity of the above mentioned companies is manufacture of mining machinery, equipment and steel structures as well as assembly operations.

2) On 11.02.2010 the Issuer has become aware that Central Securities Depository and Clearing House of Serbia has assigned 30.743 shares of **KOPEX MIN-LIV A.D.** (resulting from financing by KOPEX S.A. compulsory investments, in accordance with agreement on share acquisition). At present KOPEX S.A. holds altogether 91.091 shares of the KOPEX MIN-LIV A.D. which make 89,74% of the increased share capital and entitle to 91.091 votes at the general meeting, making also 89,74% of the total number of votes. Subject of activity of the KOPEX MIN-LIV A.D. is realization and delivery of cast steel and cast iron.

e) acquisition of shares of Rybnicka Fabryka Maszyn RYFAMA S.A./ The Machine Factory RYFAMA with registered seat in Rybnik:

On 19 February 2010 there were concluded the following agreements on share acquisition of a non-public company under the firm Rybnicka Fabryka Maszyn i Urządzeń RYFAMA S.A. / The Machine Factory RYFAMA with a registered seat in Rybnik (member of the GWARANT Capital Group based in Katowice):

a) agreement on sale of shares concluded between KOPEX S.A (the Investor) and Zakłady Urządzeń Galwanicznych i Lakierniczych ZUGIL S.A. with registered seat in Wieluń (ZUGIL

S.A.). On the grounds of this agreement, the Issuer has acquired 420.000 Series-A common bearer shares of nominal value amounting to PLN 1,59 per share, making 26,92% of the share capital of RYFAMA S.A. based in Rybnik,

b) a conditional agreement on sale of shares between KOPEX S.A. (the Investor) and Andoria-Mot Sp. z o.o. with registered seat in Andrychów, Kuźnia Jawor S.A. with registered seat in Jawor, Fabryka Urządzeń Mechanicznych Chofum S.A. with registered seat in Chocianów (the Companies) and GWARANT Grupa Kapitałowa / GWARANT Capital Group with registered seat in Katowice (GWARANT GK). On the grounds of this agreements the Issuer has acquired altogether 594.000 Series-A common bearer shares of nominal value amounting to PLN 1,59 per share, making 38,08% of the share capital of RYFAMA S.A. based in Rybnik. The acquisition in question will be effected, on a condition precedent that the price is paid and acceptance for share acquisition is granted by the Chairman of Competition and Consumer Protection Office. Appropriate request with the notification of a concentration was lodged and the Issuer is expecting the decision,

c) a promissory agreement on sale of shares between Mr. Krzysztof Jędrzejewski – (the Investor) with participation of KOPEX S.A. and GWARANT Grupa Kapitałowa S.A. / GWARANT Capital Group with registered seat in Katowice, Zakłady Urządzeń Galwanicznych i Lakierniczych ZUGIL S.A. with registered seat in Wieluń (ZUGIL S.A.) and Kuźnia Jawor S.A. with registered seat in Jawor hereafter referred to as Companies. On the grounds of this agreement, the „Companies“ obliged themselves to sell the Investor or KOPEX S.A. altogether 388.007 Series-A common bearer shares of nominal value PLN 1,59 per share making 24,87% of the share capital of RYFAMA S.A. based in Rybnik. Besides, GWARANT Grupa Kapitałowa S.A. / GWARANT Capital Group with registered seat in Katowice, has obliged itself to sell the shares of RYFAMA S.A. acquired and to be acquired in the future. The promissory agreement will be concluded on a condition precedent the acceptance for acquisition is granted by the Chairman of Competition and Consumer Protection Office.

Rybnicka Fabryka Maszyn RYFAMA S.A. / The Machine Factory RYFAMA is a company that has been experienced in designing and manufacturing mining machinery and equipment destined for underground mining. RYFAMA is globally recognized for manufacture of complete transport solutions, especially for scraper conveyors. The Company manufactures also crushers installed on a conveyors and other components used in mining machinery: reducers, over-lapping return-ends, anchoring and advancing devices, rope suspensions. Acquisition of the company RYFAMA is one of the elements of the acquisition process, executed within the framework of strategy for enhancing the KOPEX Group competitive position in manufacture of complete longwall system.

3) Purchase of KOPEX S.A. own shares under the Acquisition Programme:

In the period from 15 December 2008 until 5 February 2009 (inclusive) there were acquired altogether 276.500 own shares of KOPEX S.A., at a average price of PLN 10,75 per share; the acquisition was executed in the framework of „Acquisition / buy-back of KOPEX S.A. own shares...“, in the part concerning acquisition of the own shares to resale them further, basing on the authority granted the Management Board, by the terms of resolution of the EGM of KOPEX S.A. dated 11 December 2008 and by the terms of the resolution of the Management Board dated 12.12.2008. The acquired shares made 0,409% of KOPEX S.A. share capital. On 9.02.2009 „Acquisition / buy-back of KOPEX S.A. own shares Programme“ was suspended (current report RB29/2009 dated 9.02.2010). The reason of suspension was a doubt arisen from interpretation of regulations of the amended Law on Public Offer and Conditions for Admitting Financial Instruments to the Organized System of Trading and on Publicly Traded Companies (new regulations entered into force on 13 January 2009, a month after beginning of acquisition of own shares). Financial Supervision Commission by letter dated 9 April 2009 (DNO/WNO/023/9/4/09/MR), responded to the request of the Company and noted that quoted: „the acquisition of own shares by a public company depending on the majority shareholder is the indirect acquisition of shares of a public company“. As a result of this interpretation, Mr. Krzysztof Jędrzejewski, the majority shareholder of the Issuer, corrected a notice of ownership of KOPEX's shares, as the Issuer informed in the current report RB 53/2009 dated 21 April 2009. After that date, the Company has not acquired own shares.

4) Sale of assets:

a) sale of the KOPEX's shares held by the State Treasury:

On 14 January 2010 the Company received the reply of the Minister of the State Treasury (MSP/D MSP/244/10, dated 14.01.2010) to the letter dated 5.01.2010 on the number of shares of KOPEX SA held by the Treasury State. By this letter the Issuer was informed that : „The State Treasury represented by the Minister of the State Treasury as of the date 14.01.2010 is not a shareholder of the company KOPEX SA“. According to the information published on the website of the State Treasury, the Issuer was aware of sale of 2.168.300 KOPEX's bearer shares held by the State Treasury. The shares were sold on 22 and 23 December 2009 on the Warsaw Stock Exchange. The sale has ended the process of privatization of KOPEX S.A. Prior to the sale, the Treasury State was the owner of 2.168.300 shares, entitling to the same number of votes and making 2,92% of the Company's share capital and making also 2,92% of the total number of votes (before the change in the share capital on 1 December 2009 it was 3,21%).

b) sale of shares of the company HYDRAPRES SA with a registered seat in Solec Kujawski held by TAGOR SA:

On 29 January 2009 Fabryka Maszyn i Urządzeń TAGOR SA with a registered seat in Tarnowskie Góry (subsidiary of the Zabrzańskie Zakłady Mechaniczne SA and indirect subsidiary of the Issuer) – the Seller signed an agreement with Mr. Krzysztof Jędrzejewski (then Vice Chairman of the Issuer's Management Board) – the Buyer. Subject of agreement was sale of 8.673.600 I-series bearer shares of HYDRAPRES SA with registered seat in Solec Kujawski. Shares entitling to 8.673.300 number of votes on General Meeting of the Shareholders of the HYDRAPRES SA and made 33% of the total number of votes. On 15.09.2009, as a result of the implementation of the above mentioned sale agreement, 8.673.600 I-series shares were transferred on the Buyer's account. At present Fabryka Maszyn i Urządzeń TAGOR SA based in Tarnowskie Góry does not hold any shares of the company HYDRAPRES SA

c) sale of shares of FASING SA with a registered seat in Katowice held by KOPEX SA:

On the basis of concluded on 9 June 2009 agreement under civil law, KOPEX SA sold 140.000 shares of a public company FASING SA with a registered seat in Katowice. Sale of shares resulted in decrease in KOPEX SA shareholding of FASING SA to under 5% of the total number of votes. On 10 June 2009 the property right was conveyed through entry on the buyer's account of 140.000 FASING SA bearer shares, making 4,505% of FASING SA share capital and entitling to 140.000 number of votes at the general meeting of FASING SA and making 4,505% of total number of votes. Before the sale transaction in question, KOPEX SA had held altogether 280.000 of FASING SA shares making 9,01% of FASING SA share capital and entitling to 280.000 number of votes at the general meeting of FASING SA and it had made 9,01% of total number of votes. At present KOPEX SA holds 140.000 shares of FASING SA, making 4,505% of FASING SA share capital and entitling to 140.000 number of votes at the general meeting, making 4,505% of total number of votes.

5) Mergers of selected companies from the Capital Group of the Issuer to reduce costs and improve their management:

a) merger of subsidiaries of the Zakład Elektroniki Górniczej S.A. with registered seat in Tychy

On 23 February 2009 the Management Board of Zakład Elektroniki Górniczej ZEG S.A. based in Tychy has signed with the following companies: ZEG-ENERGETYKA Sp. z o.o. based in Tychy and ZEG-PCB Sp. z o.o. based in Tychy (subsidiaries of ZEG) plan of merger of those companies, which is implemented in accordance with art. 515 § 6 and 516 § 6 of the Commercial Companies Code. The merger of these companies is a result of restructuring ZEG Capital Group and is aimed at reducing costs and will help to simplify and strengthen the organization of the group. On 22.07.2009 the General Meeting of ZEG S.A. adopted a resolution on giving consent to the plan of merger and a resolution on the merger of ZEG S.A. (acquiring company) with ZEG-

ENERGETYKA Sp. z o.o. and ZEG-PCB Sp. z o.o. based in Tychy (companies being acquired). On 3.08.2009 the merger was legally valid by the decision on registration of the District Court Katowice – East based in Katowice. 3 August 2009 is the date of the merger. ZEG S.A. has held 100% of shares in each company being acquired hence the merge has been achieved without ZEG S.A. share capital increase. Subjects of activities of the acquired companies will be continued by ZEG S.A. based in Tychy.

b) merger of the Issuer's subsidiary – company KOPEX Construction Sp. z o.o. with registered seat in Katowice and merger of the Issuer's indirect subsidiary – company KOPEX-Comfort Sp. z o.o. with registered seat in Mysłowice:

On 8 December 2009 Assemblies of Partners of companies: KOPEX Construction Sp. z o.o. with registered seat in Katowice and KOPEX-Comfort Sp. z o.o. with registered seat in Mysłowice (subsidiary of the KOPEX Equity Sp. z o.o.) adopted a resolutions on merger by acquisition by the company KOPEX Construction Sp. z o.o. with registered seat in Katowice (acquiring company) a company with similar subject of activity – KOPEX-Comfort Sp. z o. o. with registered seat in Mysłowice (company being acquired) by conveying all assets of the company being acquired to KOPEX Construction Sp. z o.o. together with increasing the share capital of the acquiring company). On 18.03.2010 the merger was legally valid by the decision on registration of the District Court Katowice – East based in Katowice. 18 March 2010 is the date of the merger. The share capital of the company KOPEX Construction Sp. z o.o. with registered seat in Katowice has increased from PLN 3.227.000 to PLN 7.473.000 and is divided into 10.676 shares at a nominal value of PLN 700,0 each. New shares in the increased share capital of the KOPEX Construction Sp. z o.o. (result of the merger) has acquired shareholder – the Issuer's subsidiary, company KOPEX Equity Ltd, which currently hold 7.819 of shares, making 73,24% of the increased share capital and entitling to the same number of votes at the assembly of partners. Share of other shareholder – KOPEX SA decreased from 61,97% to 26,76% of the share capital (state of ownership of shares has not changed, KOPEX holds 2.857 shares).

6) Suspension of activities or liquidation of companies taken in the process of restructuring and organizing companies from the KOPEX Capital Group:

a) suspension of activities of the Issuer's indirect subsidiary – Grupa ZZM-KOPEX Sp. z o.o./ the ZZM-KOPEX Group Sp. z o.o. with registered seat in Katowice:

On 1 September 2009 entered into register a temporary suspension of activities (for up to two years) of an indirect subsidiary Grupa ZZM-KOPEX Sp. z o.o. KOPEX Equity Sp. z o.o. based in Katowice (the Issuer subsidiary) holds 98% of shares which make the same number of votes on the general meeting. KOPEX Construction Sp. z o.o. based in Katowice holds 2% of shares. This decision has been made due to the fact that company has not started its activity (company has no employees).

b) suspension of activities of the Issuer's indirect subsidiary KOPEX ENGINEERING Sp. z o.o. with registered seat in Katowice:

On 31.12 2009 entered into register a temporary suspension of activities (for up to two years) of an indirect subsidiary KOPEX ENGINEERING Sp. z o.o. KOPEX Equity Sp. z o.o. based in Katowice (the Issuer subsidiary) holds 100% of shares which make the same number of votes on the general meeting. No expected results was the reason for this decision.

c) decision on the dissolution of the Issuer's subsidiary KOPEX EKSEN Sp. z o.o. with registered seat in Katowice and its liquidation:

On 15 January 2010 General Meeting of Shareholders of KOPEX EKSEN Sp. z o.o. with registered seat in Katowice has made a decision on dissolution of the company KOPEX EKSEN Sp. z o.o. with registered seat in Katowice and on appointment a liquidator of this company. By the decision of the Court of Registration, on 15.02.2010 the shareholders resolution on dissolution of the Company and its liquidation entered into Division 6. Shareholders of the Company: the company EKSEN PROJE INSAAT TURIZM VE TICARET ANONM SIRKETI with registered seat in Ankara/Turkey holding 50% of share capital and KOPEX SA with registered

seat in Katowice holding 50 % of share capital. The Company has not started its activity and has no employees. On 1 July 2009 suspension of activities of KOPEX EKSEN Sp. z o.o. has entered into register.

In addition to the above-described events and changes, there were no other significant changes in KOPEX Capital Group, in particular in capital and organizational affiliations between different companies of the Group. The main domestic and foreign investments of the Issuer:

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INVESTMENTS	Value
1. Purchase of shares	36.165
2. Intangible assets and fixed assets	2.891
Total	39.056

In 2009, the Issuer has not made investments outside of its Capital Group. The investments were financed from own funds and external financing (bank loans).

4. STATEMENT ON CORPORATE GOVERNANCE IN KOPEX SA IN 2009

According to §91 clause 5 point 4 of the Minister of Finance Regulation dated 19 February 2009 on current and periodic information conveyed by issuer of securities and conditions of recognizing as equivalent information requested by legal regulations of a country that is not a member country (Dz.U. z 2009, Nr 33, poz.259 with the changes) and due to discharging duties arising from the Resolution No. 1013/2007 of the Management Board of the Warsaw Stock Exchange dated 11 December 2007 on determining the scope and structure of the report on corporate governance for listed companies and in connection with § 2 of Resolution No. 718/2009 of the Management Board of the Warsaw Stock Exchange on conveying by listed companies reports on corporate governance - **Management Board of KOPEX SA convey a statement on corporate governance in 2009.**

a) Indication of the set of corporate governance rules governing the Issuer or which the Issuer can use freely and the place where the set is publicly available.

The Issuer is governing by the corporate governance rules set forth in the „Best Practice Rules for WSE Listed Companies“ being the annex to Resolution No. 12/1170/2007 of the Supervisory Board of Warsaw Stock Exchange S.A., dated 4 July 2007. These rules came into force on 1 January 2008 (source of this document is publicly available on Warsaw Stock Exchange official website devoted to corporate governance and on NewConnect www.corpgov.gpw.pl <http://corpgov.gpw.pl/assets/library/polish/dobrepraktyki2007.pdf>)

The Management Board of the Issuer taking into consideration experience in applying corporate governance rules in KOPEX SA, has adopted with effect from 1 January 2008 a new statement on corporate governance in KOPEX SA by implementation of the rules of the document „Best Practice Rules for WSE Listed Companies“. The content of the Company’s statement (current report RB1/2008, dated 3.01.2008) has listed the rules which Issuer does not comply with, together with explanations of their non-compliance.

Both documents, i.e. „Best Practice Rules for WSE Listed Companies“ and statement on corporate governance in Kopex SA are available on website www.kopex.com.pl, tab Investor Relations / Corporate Governanace.

b) Indication of the extent to which the Issuer departed from the set of corporate governance rules set forth in the „Best Practice Rules for WSE Listed Companies“, together with indication of those rules which the Issuer does not comply with, together with explanations of their non-compliance.

The Management Board of the Issuer shall make efforts to comply with the declared rules of the corporate governance and with rules forming relations between listed companies and their market environment. The Issuer shall take into account transparency of the Company which contributes to the creation of Company's value for shareholders.

With regard to the rules set forth in section one of the set of corporate governance rules – „Recommendations for Best Practice for Listed Companies“ the Issuer shall convey the following statement on complying with the rules contained in section one (in accordance with preamble to „Best Practice Rules for SE Listed Companies“)

Rule 1

„A company should pursue a transparent and effective information policy using both traditional methods and modern technologies ensuring fast, secure and broad access to information. Using such communication methods to the broadest extent possible, a company should ensure adequate communication with investors and analysts, enable on-line broadcasts of General Meeting over the internet, record General Meeting, and publish the recordings on the company's website“.

The Issuer shall make effort to pursue a transparent and effective information policy and what most importantly to ensure the widest possible communication with investors. This is achieved by operating, within the organizational structure of the Issuer, Marketing and Media Communication Department and contracted services of a specialized and operating in the field of public and investor relations company CC GROUP Sp. z o.o. based in Warsaw. The Issuer shall ensure communication also through an extensive investor relations service on its website www.kopex.com.pl, which is constantly updated and improved (currently, the new service is building on the forthcoming new website of the Issuer). The Management Board of the Issuer, taking into account the shareholding structure, technical and organizational capacity, costs of on-line broadcast of general meeting as well as little experience of market in this area, found useless (in the current situation of the Company) to enabling on-line broadcast of General Meeting over the Internet, recording general meeting and publishing the recordings on the website. Additionally, the Company is obliged to convey informations related to general meetings in current reports and by posting specific information on the Company's website by amended in the second half of last year provisions on general meetings and the mandatory information. For this purpose, the Issuer has separated on its website a special tab „General Meetings of Shareholder“. For communication in all matters related to the general meeting, the Company also provides an e-mail wza@kopex.com.pl.

Rule 2

„A company should ensure effective access to information necessary to assess the company's situation and outlooks as well as its operations.“

- KOPEX SA, as a public company, convey and make publicly available information required using interim and current reports. Company also publish on-line monthly „Art of Mining“ on its website, which presents current events and interesting details in the activities of the Issuer and KOPEX Group companies. Effective access to these documents and other information on the functioning of the Company is ensured by the Issuer's website www.kopex.com.pl. Conveyance of information is also run by periodically organized conferences of the Management Board, with the participation of the investors.

Rule 3

„A company should make every effort to ensure that any cancellation of a General Meeting or change of its date should not prevent or restrict the exercise of the shareholder's right to participate in a General Meeting.“

- The Issuer shall follow in its action, in relation to the general meetings, generally binding legal regulations contained in Commercial Companies Code, provisions of the Company's Statutes of Association and provisions of the By-Laws of the General Meeting of Shareholders. These regulations regulate the legal options and rules for the participation of a shareholder of a public company in a general meeting.

Rule 4

„Where securities issued by a company are traded in different countries (or in different markets) and in different legal systems, the company should strive to ensure that corporate events related to the acquisition of rights by shareholders take place on the same dates in all the countries where such securities are traded.“

- This rule does not apply to securities of the Issuer because securities issued by the Company are not traded in different countries (or in different markets) and in different legal systems.

Rules given below (from 5 to 8 from the first part of the set of corporate governance rules) are observed by the Issuer and members of its organs.

Rule 5

„Remuneration of members of the company's governing bodies should correspond to the scope of tasks and responsibilities of the exercised function and be proportionate to the size of the company's business and reasonable in relation to its financial results.“

Rule 6

„A member of the Supervisory Board should have appropriate expertise and experience and be able to devote the time necessary to perform his or her duties. A member of the Supervisory Board should take relevant action to ensure that the Supervisory Board is informed about issues significant to the company“.

Rule 7

„Each member of the Supervisory Board should act in the interests of the company and from independent decisions and judgments, and in particular:

- *refuse to accept unreasonable benefits which could have a negative impact on the independence of his or her opinions and judgements;*
- *raise explicit objections and separate opinions in any case when he or she deems that the decision of the Supervisory Board is contrary to the interest of the company.“*

Rule 8

„No shareholder may be given undue preference over other shareholders with regard to transactions and agreements made by the company with shareholders and their related entities.“

With regard to the rules set forth in section two of the set of corporate governance rules – „ Best Practice for Management Board of Listed Companies“ the Issuer shall not comply with (partly or entirely) the following rules:

Rule 1 clause 4

„the date and place of a General Meeting, its agenda and draft resolutions together with their legal basis as well as other available materials related to the company's General Meetings, at least 14 days before the set date of the General Meeting“

- Till the 3 August 2009, the date of entry into force of the amendment provisions of the Commercial Companies Code, the Issuer has published draft resolutions with enclosures at least 8 days before the set date of the General Meeting, in accordance with the applicable regulations (till 15 March 2009 §39 clause 1 point 3, in accordance with § 97 clause 5 of the Ministry of

Finance Regulation dated 19 October 2005 on current report and periodic reports submitted by issuers of securities and after the repeal of above mentioned regulations: Ministry of Finance Regulation § 38 clause 1 point 3 in accordance with § 100 clause 5 dated 19.02.2009). Besides, the Issuer has conveyed informations on date, place and agenda of the General Meeting at least 3 weeks before the set date of the General Meeting.

- Rule is fully observed by the Issuer since the entry into force on 3 August 2009 regulation, dated 5 December 2008 on amendment of regulation – Commercial Companies Code and regulation on trading in financial instrument as well as Ministry of Finance Regulation dated 6 August 2009 which changed the regulation on current and periodic information conveyed by issuer of securities and conditions of recognizing as equivalent information requested by legal regulations of a country that is not a member country (Dz.U. Nr 131 z 2009, poz.1080). The Issuer shall publish the information referred to in clause 4 of Rule 1 on the Company's website www.kopex.com.pl, tab „General Meetings of Shareholders“, as well as in the current report in accordance with binding regulations determined in §38 clause 1 and dates determined in §100 clause 3 and 5 of above mentioned Ministry of Finance Regulation, dated 6 August 2009.

Rule 1 clause 6

„annual reports on the activity of the Supervisory Board taking account of the work of its committees together with the evaluation of the work of the Supervisory Board and of the internal control system and the significant risk management system submitted by the Supervisory Board“

- there are no committees operating within the Supervisory Board, vide Section III Rule 8. However, the supervisory authority of the Issuer shall report annually on the activity of the Supervisory Board, together with a concise evaluation of the Company's situation and self-evaluation of the work of the Supervisory Board as well as evaluation of the internal control system and the significant risk management. Report is adopted by the resolution of the Supervisory Board, and the Issuer publish its content (before date of the General Meeting) on the Company's website www.kopex.com.pl, tab Investor Relation / Corporate Governance.

Rule 1 clause 7

„shareholders' questions on issue on the agenda submitted before and during a General Meeting together with answers to those questions“

- the Issuer will place on its website answers to the shareholders' questions submitted in writing on issues on the agenda.

Rule 1 clause 11

„information known to the Management Board based on a statement by a member of the Supervisory Board on any relationship of a member of the Supervisory Board with a shareholder who holds shares representing not less than 5% of all votes at the company's General Meeting“

- the Issuer informs the public on CV and career of a new member of the Issuer's Supervisory Board, and in the Issuer's opinion, this information is sufficient for judgement if the person appointed is capable of exercising his/her function.

Such information shall be included in current reports and on the Issuer's website www.kopex.com.pl, tab Company / Authorities of the Company and shall contain information such as relationship of a member of the Supervisory Board with a shareholder who holds shares representing not less than 5% of all votes at the company's General Meeting“

Rule 2

„A company should publish its website in English, at least to the extent described in section II clause 1.“

- the Issuer does not comply with this rule to the extent described in section II.

The Issuer publishes its website in several languages, including English and tries to publish on the website more and more information described in section II clause I. Currently, the new investor relation service is building on the Issuer's forthcoming new website (also in English). Currently the Issuer does not comply with this rule partly and ultimately the Issuer seeks for its full implementation.

With regard to the rules set forth in section three of the set of corporate governance rules – „ Best Practice for Supervisory Board Members“ the Issuer shall not comply with (partly or entirely) the following rules:

Rule 2

„A member of the Supervisory Board should submit to the company's Management Board information on any relationship with a shareholder who holds shares representing not less than 5% of all votes at the General Meeting. This obligation concerns financial, family and other relationship which may affect the position of the member of the Supervisory Board on issues decided by the Supervisory Board.“

- the Issuer informs the public on CV and career of a new member of the Issuer's Supervisory Board, and in the Issuer's opinion, this information is sufficient for judgement if the person appointed is capable of exercising his/her function.

Such information shall be included in current report as well as on the Issuer's website www.kopex.com.pl, tab Company / Authorities of the Company and shall contain information such as relationship of a member of the Supervisory Board with a shareholder who holds shares representing not less than 5% of all votes at the company's General Meeting“, if such situation occurs.

Rule 6

„At least two members of the Supervisory Board should meet the criteria of being independent from the company and entities with significant connections with the company. The independence criteria should be applied under Annex II to the Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board. Irrespective of the provisions of point (b) of the said Annex, a person who is an employee of the company, a subsidiary or an associated company cannot be deemed to meet the independence criteria described in the Annex. In addition, a relationship with a shareholder precluding the independence of a member of the Supervisory Board as understood in this rule is an actual and significant relationship with any shareholder who has the right to exercise at least 5% of all votes at the General Meeting“.

- The Issuer's General Meeting of Shareholders elects a members of the Supervisory Board in accordance with regulations of the Commercial Companies Code and the Company's Statutes of Association subject to the provision of §35 clause 4 of the Statutes of Association that in situation of recalling, resignation or death of a Member of the Supervisory Board during a term of office, a shareholder who holds at least 51% of votes has the right to appoint a new member of the Supervisory Board, to complete its composition.

Rule 7

„The Supervisory Board should establish at least an audit committee. The committee should include at least one member independent of the company and entities with significant connections with the company, who has qualifications in accounting and finance. In companies where the Supervisory Board consist of the minimum number of members required by law, the tasks of the committee may be performed by the Supervisory Board“.

- The Issuer is of the opinion that forming committees within the Supervisory Board is not justified. The Supervisory Board works and takes decisions on the issue within its competence jointly. Members of the Supervisory Board are persons of proper qualifications and competence in this field. The Supervisory Board of the Issuer in the execution of the obligation referred to in Article

86 clause 3 and clause 7 of the Regulation, dated 22 May 2009, on chartered accountants and their self-government, entities authorized to audit financial statements and public supervision, has adopted on 27 November 2009 a resolution on the incorporation of the audit committee's tasks within the competence of the Company's Supervisory Board. According to the adopted resolution, the Supervisory Board, in view of the fact that it consists of not more than 5 members, has decided that it will not establish the audit committee and the tasks of the committee determined in Art. 86 clause 7 of the above mentioned resolution will be implemented by the Supervisory Board through the inclusion of these tasks within the Supervisory Board's tasks determined by the By-Laws of the Supervisory Board of the Company.

Rule 8

„Annex I to the Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors (...) should apply to the task and the operation of the committees of the supervisory Board“.

- The Issuer is of the opinion that forming committees within the Supervisory Board is not justified. The Supervisory Board works and takes decisions on the issues within its competence jointly. Members of the Supervisory Board are persons of proper qualifications and competence in this field. The Issuer does not and will not comply with this rule. Establishing an audit committee as well as remuneration or commission committee, found to be irrelevant and useless.

c) description of the main features of the issuer's internal control and risk management in relation to the process of preparing financial statements and consolidated financial statements.

Rules of internal control and risk management are regulated, from the legal and formal side, by Company's internal acts, i.e. Organizational Regulations, internal regulations, internal control rules and instructions on making, circulation and inspection of financial accounting documents, stock-taking, cash desk, receivables vindication. The internal control and risk management is supported by implemented and still improved procedures of ISO 9001. The Issuer prepares financial statements in accordance with International Accounting Standards and International Financial Reporting Standards. Under the system of internal control and risk management, process of financial reporting is carried out in accordance to the company's above-mentioned formal and legal regulations. Data security is guaranteed by the company's system of restrictions on access rights and password security to the financial accounting system, as well as by the binding procedures for backup and its storage.

In the Issuer's opinion, internal control system of the company is a tool to ensure regularity of accomplishment and registration of business processes and regularity of their accounting records, monitoring, making correct documentation in the fields of: purchase, invoice payment, sale, receivables proceeds, cost calculation system, product pricing, salaries, remaining costs and income. Confirmation of the balance is carried out as regard all the financial transactions. Significant role in the internal control and risk management system has a Controlling Department, which, using computing systems, collects statistical database of selected information used in financial reporting, constantly monitors specified areas and identifies risk, periodically prepares analysis and reports on which the Management Board and the Supervisory Board may take management decisions in a timely manner to allow counter potential risk.

Annual financial statements are always audited by an independent chartered accountant, elected each year by the Supervisory Board of the Issuer from the bids submitted to the Issuer by auditors and are always subject to evaluation by the Supervisory Board. The results of this estimation are presented to the shareholders of the company at a general meeting before the decision of the general meeting approving the financial statements. Half-yearly financial statements are reviewed by the chartered accountant.

- d) **indication of the shareholders having direct or indirect shareholdings, together with an indication of the number of shares held by shareholders, their percentage of the share capital, number of votes arising from them and their percentages of the total number of votes at the general meetings.**

According to information held by the Issuer on 31.12.2009 shareholders who have qualifying holdings of the Issuer, i.e. holding more than 5% of the share capital and more than 5% of the total number of votes at a general meeting of KOPEX SA, were:

SHAREHOLDER	number of shares	% of the share capital of KOPEX S.A.	number of votes at the General Meeting	% votes at the General Meeting
Krzysztof Jędrzejewski	44 906 459 ¹	60,41%	44 629 959 ^{1(c)}	60,27%
BZ WBK AIB Asset Management S.A.	4 452 100 ²	5,99%	4 452 100	5,99%
Aviva OFE Aviva BZ WBK	3 789 840 ³	5,10%	3 789 840	5,10%

Comments:

¹ Total number of shares (directly and indirectly as well as with mother – Anna Jędrzejewska) according to a notice, dated 8.12.2009, received by the Issuer, the Issuer informed about it in the current report RB 190/2009, dated 9 December 2009 (before registration of the share capital increase, dated 1.12.2009, the percentage of the Company's share capital amounted to 66,60%), including:

a) directly 44.050.175 shares representing 59,26% of the company's share capital and entitling to 44.050.175 votes at the general meeting which represents 59,26% of the total number of votes (before registration of the share capital increase, dated 1.12.2009, the percentage of the Company's share capital amounted to 65,13%),

b) indirectly, through PBP „Puławy“ Development Sp. z o.o. with a registered seat in Poznań, 270.000 shares of KOPEX S.A. with a registered seat in Katowice, representing 0,36% of the share capital and entitling to 270.000 votes at the general meeting which represents 0,36% of the total number of votes (before registration of the share capital increase, dated 1.12.2009, the percentage of the Company's share capital amounted to 0,40%),

c) indirectly, through KOPEX S.A. with a registered seat in Katowice, 276.500 shares representing 0,37% of the share capital (in accordance with Article 364§2 of the Commercial Companies Code, the company does not exercise the rights of its own shares, except the power to its disposal or to carry out activities which seek to preserve those rights, therefore they do not entitle to vote at the general meeting). Before registration of the share capital increase, dated 1.12.2009, the percentage of the Company's share capital amounted to 0,41%. These shares were acquired by KOPEX S.A. as a part of buying its own shares for the purpose of resale during the period of the date of the „ Acquisition/buy back of own shares programme.“, i.e. from 15.12.2008 until 5.02.2009, including this date (in accordance with position of the Financial Supervision Commission determined in a letter dated 9 April 2009 (DNO/WNO/023/9/4/09/MR) that the acquisition of own shares by a public company depending on the majority shareholder is the indirect acquisition of shares of a public company). After that date, the Company has not acquired own shares,

d) indirectly, through mother – Anna Jędrzejewska (closely associated) 309.784 shares of KOPEX S.A., representing 0,41% of the share capital and entitling to 309.784 votes at the general meeting which represents 0,41% of the total number of votes (before registration of the

share capital increase, dated 1.12.2009, the percentage of the Company's share capital amounted to 0,46%),

² total number of shares / votes conveyed by BZ WBK AIB Asset Management S.A. (in accordance with notices received by the Issuer) includes, i.a. 3.798.257 shares, which BZ WBK AIB Asset Management S.A. based in Poznań manages on the basis of the order on management of portfolios of investments funds, whose body is BZ WBK AIB TFI S.A based in Poznań (Arka BZ WBK Akcji FIO, Arka BZ WBK Energii FIO, Arka BZ WBK Stabilnego Wzrostu FIO, Arka BZ WBK Zrównoważony FIO and Lukas FIO). The Issuer informed about the exceeded a 5% bound in the share capital by BZ WBK AIB Asset Management S.A. in the current report RB189/2009, dated 8 December 2009.

³ total number of shares held by Aviva OFE Aviva BZ WBK SA in accordance with last notice, dated 31.12.2008 received by the Issuer from Aviva OFE Aviva BZ WBK SA (till 31.05.2009 under the company Commercial Union PTE PBH CU WBK S.A.). Before registration of the share capital increase, dated 1.12.2009, the percentage of the Company's share capital amounted to 5,60%.

e) indication of the holders of any securities with special control rights and a description of those rights

All rights arising from the securities of KOPEX S.A. are the same and does not give any special control rights.

f) indication of any restrictions on voting rights, such as restrictions on voting rights of the holders of a given percentage or number of votes, deadlines for exercising voting rights or records, according to which, in cooperation with the company, the financial rights attaching to securities are separated from the holding of securities

Restrictions on the exercise of voting rights of holders of the KOPEX SA shares are not known, except under provisions of Article 364 § 2 of Commercial Companies Code which refers to own shares purchased under the acquisition/buy back of own shares programme, and indirectly held by majority shareholder Mr. Krzysztof Jędrzejewski, i.e. total purchased of 276.500 shares of the KOPEX SA, representing 0,37% of the share capital. In accordance with Article 364 §2 of the Commercial Companies Code, the company does not exercise the rights of its own shares, except the power to its disposal or to carry out activities which seek to preserve those rights, therefore they do not entitle to vote at the general meeting.

g) indication of any restrictions on the transfer of ownership of the Issuer's securities

The Issuer's Statutes of Association does not contain restrictions on alienation or acquisition Issuer's shares. Restrictions on the transfer of ownership of Issuer's securities are not known, except the general rules under applicable law.

h) descriptions of the rules of appointing and recalling of managing authorities and their rights, in particular the right to decide on shares issue or redemption of shares

The rules of appointing and recalling members of the Board are governed by the provisions of the Commercial Companies Code and the provisions of Company's Statutes of Association. The current Statutes of Association of the KOPEX SA was adopted by the General Meeting on 17 February 2009 and is available on the Issuer's website www.kopex.com.pl, tab Company / Rules and information required.

In accordance with §25 of the company's Statutes of Association, members of the Board shall appoint and recall the Supervisory Board. The Management Board is composed from two (2) to

five (5) members. Number of the members is determined by the body the Management Board is appointed by. Term of the office lasts for five (5) years. The common term shall not apply for members of the Board.

In accordance with §20 of the Company's Statues of Association, the Management Board manages the Company's business in any judicatory and non-judicatory actions. Any issues related to managing the Company's business are in the scope of the Management Board, unless they are subject to the legal regulations or stipulations of Statues of Association for General Meeting of Shareholders or for the Supervisory Board. Cooperation of two Management Board members or the Management Board member together with a proxy is necessary to make declarations on behalf of the Company. In all agreements between the Company and members of the Board and in disputes with them, Company is represented by the Supervisory Board, which may authorize by a resolution one or more members to undertake such legal action.

In accordance with § 22 of the Issuer's Statues of Association the Management Board is authorized to pay the shareholders an advance payment for dividend anticipated at the end of the fiscal year, under the rules of Commercial Companies Code.

Rules of activity of the Issuer's Board are described in detail in clause k), subclause 1.1 of this statement.

The right to decide on shares issue or redemption of shares is governed by the provisions of the company's Statues of Association which are the same as the generally applicable law, including Commercial Companies Code.

In the matter of redemption of own shares the Board of the Issuer has only the authority granted by resolution No. 1 of the Extraordinary General Meeting of KOPEX SA Shareholders, dated 11 December 2008, on the consent and determination of conditions for the acquisition of own shares by the Company in order to offer their employees and subsidiaries to acquire and resolution No. 2 of the Extraordinary General Meeting of KOPEX SA Shareholders on the grant to Company's Board authorization to acquire own shares under article 362 § 1 clause 8 of the Commercial Companies Code.

Besides, the Management Board, under the §11a of the Statues of Association, is authorised to raise the Company's share capital by the value not exceeding the amount of PLN 6.700.000 till 24.06.2012. Management Board used that authority within issue of 6.700.000 common bearer Series C shares, successfully executed in the fourth quarter of 2009. On 1 December 2009 the National Court of Register, has registered share capital which increased by PLN 6.700.000. Share capital currently amounts to PLN 74.332.538.

i) description of rules of changes in the Issuer's statues of association

In accordance to §54 paragraph 2 clause 1 of Statues, any changes of the Issuer's Statues requires the adoption of a resolution by the General Meeting. The resolution required a majority of $\frac{3}{4}$ of votes present at the general meeting. In addition, resolutions on the Statues increasing the shareholders benefits or decreasing the rights granted every shareholder personally require consent of all the shareholders involved. Resolution on changes in the subject of the activities of the Company shall be effected without redemption, referred to in Art. 416 § 4 of the Commercial Companies Code if it is adopted by a majority of $\frac{2}{3}$ of the votes, in the presence of shareholders holding at least half of the the share capital. Changing the Issuer's Statues becomes effective upon its registration by the court.

Detailed rules of changing the Issuer's Statues stick to the commonly applicable law, including the provisions of the Commercial Company Code.

- j) **mode of action of the general meeting and its essential rights, description of the rights of shareholders and the manner of their execution, in particular the rules stemmed from by-laws of the general meeting, if such by-laws was adopted and if informations in question does not arise directly from the law**

Basic rules regarding convene, organization, competence and proceedings of the Issuer's General Meeting are contained in the Issuer's Statues. Detailed organizational and ordinal conditions of the Issuer's General Meeting are contained in the By-Laws of General Meeting of KOPEX SA. The current By-Laws of General Meeting of KOPEX S.A. was adopted on 25 June 2009 and is available on the website www.kopex.com.pl, tab Company / Rules and information required.

According to § 46 of the Statues of Association (in force at the date of publication of the report), **the Ordinary General Meeting of Shareholders** is convened by the Management Board of the Issuer on its own initiative and at the request of the Supervisory Board if the annual Ordinary General Meeting of Shareholder wasn't held within the statutory period of six months after the financial year.

The annual convening of the Issuer's Ordinary General Meeting, within six months after the last financial year, is the responsibility of the Management Board.

The Extraordinary General Meeting is convened by the Issuer's Management Board or the Supervisory Board, if convening is found advisable. Shareholders representing at least half of the share capital or at least half of the votes in the Company are also authorized to convene the Extraordinary General Meeting of Shareholders.

According to the Issuer's Statues, a shareholders representing at least one twentieth of the share capital may demand convening the Extraordinary General Meeting of Shareholders. Demand to convene the General Meeting should be submitted to the Management Board either in writing or electronically.

The General Meeting is convened by publishing a notice on the Company's website (www.kopex.com.pl/ tab „General Meetings of Shareholders“) and in manner requested for conveying current information in pursuance of the law on public offer and conditions for admitting financial instruments to the organized system of trading and on publicly traded companies. The notice should be published at least twenty six days prior to the date of the General Meeting.

A shareholder or shareholders representing at least one twentieth of the share capital may require placing specific issues on the agenda of the nearest General Meeting. The demand should be submitted to the Management Board not later than twenty one days prior to the date fixed for the holding of the General Meeting and should include a justification or a draft resolution on the proposed item in the agenda. The demand may be submitted electronically. The Management Board is obliged immediately but not later than eighteen days prior to date fixed for the holding of the General Meeting, to announcing changes in the agenda implemented on demand of the shareholders, in a manner suitable for convening General Meetings. If the aforementioned demand is submitted later than twenty one days prior to the date fixed for the holding of the General Meeting, it will be treated as a motion on convening an Extraordinary General Meeting an placed in the agenda of the General Meeting.

The General Meeting of Shareholders is held in Warsaw, Zabrze or in the seat of the Company and may adopt resolutions only on the issues included in the detailed agenda, subject to Art. 404 of the Commercial Companies Code. To adopt a resolution on removing or ceasing a matter from the agenda of the General Meeting on the motion of shareholders, a majority of 75% votes is required and consent of all the present shareholders who have submitted this motion. Resolutions of the General Meeting shall be adopted by an ordinary majority of votes unless

otherwise stated in the Statutes of Association or in law. The General Meeting is valid regardless of the number of shares represented therein, subject to the necessity of obtaining a quorum for the adoption of certain resolutions as provided by law and the Issuer's Statutes.

Right to participate in the General Meeting have, pursuant to Art. 406 of Commercial Companies Code, only those who are shareholders of KOPEX SA sixteen days before the General Meeting, i.e. the day called „Record date“.

In order to participate in the General Meeting, shareholders entitled from dematerialized bearer shares should request the operator of a securities account to issue a personal certificate of right to participate in the General Meeting not earlier than after the notice on convening the General Meeting and not later than the first weekday after the „Record date“.

The list of shareholders entitled to participate in the General Meeting is made by the Company on the basis of a list of registered shareholders, which is made available to the Company by the KDPW not later than one week before the General Meeting. The list is available in the seat of the Company, for 3 weekdays before the General Meeting (as required by Art. 407 § 1 of the Commercial Companies Code).

The General Meeting is opened by the Chairman of the Supervisory Board or Vice Chairman of the Supervisory Board and further, the Chairman of the General Meeting is elected out of the persons entitled to participate in the General Meeting. If those persons are absent, the General Meeting is opened either by the Chairman of the Management Board or a person appointed by the Management Board.

Company's Statutes does not allow:

- a) to participate in the General Meeting through means of electronic communication,
- b) to speak out during the General Meeting through means of electronic communication,
- c) to exercise voting rights by shareholders at the General Meeting through correspondence or means of electronic communication.

Voting on draft resolutions and motions shall take place in order of their submission. In accordance to §54 of the Issuer's Statutes, resolutions of the General Meeting shall be adopted by an ordinary majority of votes unless otherwise stated in Statutes or in the Commercial Companies Code. This majority is particularly required in the issues as follows:

- 1) consideration and approval of the Statement of the Management Board on the Company's activities and Financial Statement for the previous fiscal year,
- 2) adopting a resolution on profit distribution and loss coverage,
- 3) granting exoneration to the members of the bodies of the Company for performing their duties.

Resolutions of the General Meeting are adopted by $\frac{3}{4}$ majority of votes on the issues as follows:

- 1) changes in the Statutes, including new shares issue,
- 2) securities issue,
- 3) sale of the enterprise of the Company,
- 4) consolidation of the Company with another company,
- 5) dissolution of the Company.

Resolution on changes in the subject of the activities of the Company shall be effected without redemption, referred to in article 415 §4 of the Commercial Companies Code if it is adopted by a majority of $\frac{2}{3}$ of the votes, in the presence of shareholders holding at least half of the share capital.

Resolutions on the increasing the shareholder benefits or decreasing the rights granted every shareholder personally require consent of all the shareholders involved.

The General Meeting may offer a person who performed duties as a member of the Supervisory Board or as a member of the Management Board to cover costs or loss that this person may be required to pay the third party and that resulted in connection with performing duties by this person, if this person acted in good faith and in a manner, which according to this person's opinion was best for the Company's business in specific circumstances.

The Statutes of the Issuer, by modifying the general rules of the Commercial Companies Code, provides that no resolution of the General Meeting is required to acquire or sell real estates, in hereditary tenure or share in real estate.

The provisions in the By-Laws of the General Meeting and the Statutes of Association of the Issuer regarding the rights of shareholders and the manner of their execution are the same as the rights of shareholders under the commonly applicable law.

Besides, the Issuer provides electronic mail address: wza@kopex.com.pl to communication between the shareholders and the Company, on matters relating to the organization of the General Meeting and transmission of documents.

k) composition and changes that have occurred there over the past fiscal year and a description of the supervisory and managing authorities and their committees

1. THE MANAGEMENT BOARD OF THE ISSUER

The Supervisory Board, on meeting held on 23 June 2008, has determined the composition of the KOPEX SA Management Board to 4 (four) members.

On 25 June 2009 the Ordinary General Meeting of KOPEX S.A. granted exoneration to all members of the Issuer's Management Board. Exoneration referred to duties performed during the fiscal year 2008.

In the period from 1 January 2009 to 31 December 2009 the Company's Management Board functioned in the composition given below, taking account of changes (vide the comments below the table) over the last fiscal year:

Composition of the Management Board of the sixth term	Post	Date of appointment	Comments
Marian KOSTEMPSKI	Chairman of the Board	23.06.2008	till now
Krzysztof JĘDRZEJEWSKI	Vice Chairman of the Board	01.04.2008	till 30.09.2009 ¹⁾
Józef WOLSKI	Vice Chairman of the Board	01.10.2009	till now ²⁾
Joanna PARZYCH	Vice Chairman of the Board	23.06.2008	till now
Tadeusz SOROKA	Vice Chairman of the Board	23.06.2008	till 17.02.2010 ³⁾

Comments:

1) on 30 September 2009 Mr Krzysztof Jędrzejewski – Vice Chairman of the Issuer’s Management Board has submitted his declaration to the Supervisory Board for resignation from the post of the Vice Chairman of the Management Board.

2) appointed to the post of Vice Chairman of the Management Board of KOPEX S.A. on 1 October 2009, by a resolution No 53/VI/2009 of the Supervisory Board; in charge of financial management.

3) on 17 February 2010 Mr Tadeusz Soroka – Vice Chairman of the Issuer’s Management Board has submitted his declaration to the Supervisory Board for resignation from the post of the Vice Chairman of the Management Board.

In the period after 31 December 2009 to the date of this statement, one change has occurred in the composition of the management board of KOPEX S.A. – on 17.02.2010 Mr Tadeusz Soroka has submitted his declaration for resignation from the post of the Vice Chairman of the Board.

At the date of this statement, the composition of the Management Board of KOPEX S.A. is as follows:

Composition of the Management Board of the sixth term	Post	Date of appointment	Comments
Marian KOSTEMPSKI	Chairman of the Board	23.06.2008	till now
Józef WOLSKI	Vice Chairman of the Board	01.10.2009	till now
Joanna PARZYCH	Vice Chairman of the Board	23.06.2008	till now

1.1. Rules of performance of the management authority of the Issuer.

The Management Board of the Issuer performs as an Company’s authority on the basis of: (I) Commercial Companies Code, (II) Company’s Statutes, (III) By-Laws of the Management Board and (IV) other generally binding rules. The current Statutes of Association and By-Laws of the Management Board of the Issuer are available on the website www.kopex.com.pl, tab Company / Rules and information required.

Rules of appointing and recalling the Issuer’s Management Board are described in detail in paragraph h) of this statement.

In accordance with § 20 of the Statutes of Association of the Company the Management Board manages the Company’s business in any judicatory and non-judicatory actions. Any issues related to managing the Company’s business are in the scope of competence of the Management Board, unless they are subject to the legal regulations or stipulations of this Statutes of Association for the General Meeting or for the Supervisory Board.

Proceeding mode of the Management Board is specified in By-Laws of Management Board adopted by the Board and approved by the Supervisory Board. According to § 4 of the By-Laws, each member of the Management Board may conduct, without any prior resolution of the Board, the issues which not exceed the scope of the normal management of the Company. According to the Issuer’s Statutes, resolutions of the Management Board are adopted by an absolute majority of votes of members present at the board meeting . A unanimous resolutions of all the Board of Directors members is requested to appoint a proxy. In the event of an equal number of votes, the casting vote has the Chairman of the Board. The Management Board may adopt resolutions by using means of direct remote communication (teleconference, fax, e-mail).

In accordance with § 7 of the By-Laws of the Management Board, all issues beyond the scope of ordinary activities of the Board require a resolutions of the Management Board, in particular:

- a) convening of the General Meetings and determining their agenda,
- b) adopting of annual statements, i.e. statement on the Company's activities and the Company's financial statement and annual consolidated financial and activities statement of the capital group KOPEX SA and other periodic statements of the Company and the Capital Group,
- c) preparing motions on profit distribution or loss coverage,
- d) appointing the Company's proxy,
- e) adopting Organizational Regulations or its variation,
- f) establishing the draft of the By-Laws of the Management Board,
- g) other issues reserved for the exclusive competence of the Board under the Statutes of Association and legal regulations,

Besides, according to the Statutes of Association, the Management Board of the Issuer is obliged to obtain approval of the Supervisory Board prior to taking up any of the activities as follows (beyond the issues reserved to the competence of the General Meeting or the Supervisory Board):

- a) raising a credit or a loan, if liability amount resulting from a specific action exceeds 15% of net assets value, according to the latest annual balance sheet,
- b) granting a credit or a loan if liability amount 15% of net assets value, according to the latest annual balance sheet.

2. THE SUPERVISORY BOARD OF THE ISSUER

The Supervisory Board of sixth term was appointed to the five-year term on 29 June 2007 by the Ordinary General Meeting of Kopex S.A. and is composed from five (5) members.

On 25 June 2009 the Ordinary General Meeting of KOPEX SA granted exoneration to all members of the Supervisory Board of KOPEX SA. Exoneration referred to duties performed during the fiscal year from 1 January 2008 to 31 December 2008. Over the last fiscal year there has been no changes in the composition of the Issuer's Supervisory Board.

Composition of the Supervisory Board on 31 December 2009, according to the interim report for the fourth quarter of 2009, published on 1 March 2010:

Supervisory Board of sixth term	Post	Date of appointment	Comments
Marzena MISIUNA	Chairman of the Supervisory Board	21.04.2008	till now
Adam KALKUSIŃSKI	Vice Chairman of the Supervisory Board	07.04.2008	till now
Iwona BAJDA	Secy of the Supervisory Board	29.06.2007	till now – elected on behalf of the Company's employees
Damian JĘDRZEJEWSKI	Member of the Supervisory Board	30.12.2008	till now
Stanisław BARGIEŁ	Member of the Supervisory Board	29.06.2007	till now – elected on behalf of the Company's employees

¹⁾ In the period after 31 December 2009 until the date of this statement, the following changes has occurred in the composition of the Supervisory Board:

On 12 April 2010 two members of the Supervisory Board – Mrs Iwona Bajda and Mr Stanisław Bargieł, has submitted their declaration to the Company's Management Board for resignation

from the posts. On 19 April 2010, declaration for resignation from the post has submitted Mr Damian Jędrzejewski. No reasons for resignation were included in the aforementioned declarations. Simultaneously, the Issuer's Management Board received declarations from Mr. Krzysztof Jędrzejewski (holding 44.505.175 of the Issuer's shares which represents 59,26% of the Issuer's total shares and votes at the General Meeting of KOPEX S.A.). In accordance with the aforementioned resignations, Mr. Jędrzejewski, according to the §35 Par. 4 of the Issuer's Statutes of Association, has appointed new members of the Supervisory Board to complement its five-composition – namely Mr. Krzysztof Jędrzejewski and Mr. Michał Rogatko – appointed on 12.04.2010 and Mr. Artur Kucharski – appointed on 19.04.2010. The Issuer informed about changes in question in the current reports RB39/2010 dated 12.04.2010 and RB41/2010 dated 19.04.2010.

²⁾ On 26.04.2010 the newly Supervisory Board was formed due to the above mentioned changes. Mr. Krzysztof Jędrzejewski was appointed as a Chairman of the Supervisory Board. Mr. Artur Kucharski was appointed as a Vice Chairman of the Supervisory Board and Mr. Michał Rogatko as a Secretary of the Supervisory Board.

At the date of this statement, the composition of the Supervisory Board of KOPEX S.A. is as follows:

Supervisory Board of sixth term	Post	Date of appointment	Comments
Krzysztof JĘDRZEJEWSKI	Chairman of the Supervisory Board	12.04.2010	till now
Artur KUCHARSKI	Vice Chairman of the Supervisory Board	19.04.2010	till now
Michał ROGATKO	Secretary of the Supervisory Board	12.04.2010	till now
Marzena MISIUNA	Member of the Supervisory Board	21.04.2008	till now
Adam KALKUSIŃSKI	Member of the Supervisory Board	7.04.2008	till now

2.1 Rules of performance of the supervisory authority of the Issuer and its committees.

The Supervisory Board of the Issuer performs as an Company's authority on the basis of: (I) Commercial Companies Code, (II) Company's Statutes of Association, (III) By-Laws of the Supervisory Board and (IV) other generally binding rules.

The organization and mode of performance of the Supervisory Board of the Issuer are specified in detail in the By-Laws of the Supervisory Board, which is adopted by the Supervisory Board of the Issuer. The current By-Laws of the Supervisory Board of the Issuer, adopted by the Supervisory Board on 27 November 2009 is available on the website www.kopex.com.pl, tab Company / Rules and information required. The Supervisory Board enrolled in its By-Laws that respects the rules of corporate governance in the scope accepted in the Company's statement.

In accordance with §35 of the Company's Statutes of Association, the Supervisory Board is composed from five (5) to nine (9) members. The number of members of the Supervisory Board is determined by the General Meeting. Term of office lasts for five years and it is a mutual term. Members of the Supervisory Board are appointed by the General Meeting, subject to §35 Item 4 of the Statutes of Association that in situation of recalling, resignation or death of a Member of the Supervisory Board during a term of office, a shareholder who holds at least 51% of votes has a right to appoint a new Member of the Supervisory Board, to complement its composition.

Under the Company's Statutes, resolutions of the Supervisory Board are adopted by an absolute majority of votes of members present at the meeting of the Supervisory Board. The Supervisory Board adopts resolutions if at least half of its members are present at the session and all of them have been invited. Besides, the Supervisory Board may adopt resolutions in writing or using means of direct remote communication, subject to restrictions defined in the Commercial Companies Code. A resolution is valid if all the members of the Supervisory Board are informed on the content of this resolution.

According to the Company's Statutes of Association, competences of the Supervisory Board are as follows:

1. appraising financial statements for the previous fiscal year and securing their auditing by a chartered accountant designated by the Supervisory Board,
2. appraising Statement of the Management Board on the Company's activities for the previous fiscal year and securing its auditing by a chartered accountant designated by the Supervisory Board,
3. giving consent for concluding an agreement with a sub-issuer referred to in Art. 433 of the Commercial Companies Code,
4. appraising motions of the Management Board on profit distribution or loss coverage, including opinion on the amount of money designated for dividend and dividend payment dates or on offered basis for covering loss,
5. submitting the General Meeting an annual report in writing on the results of the actions taken and referred to in Items 1,2 and 4,
6. giving consent for transactions including sale or acquisition of shares or other property, sale, letting, pledge, hypothecation or other burdens or disposal of property by one action, if its amount exceeds 15% of net assets value, according to the latest annual balance sheet,
7. appointing, suspending and recalling members of the Management Board,
8. delegating members of the Supervisory Board to execute activities of the Management Board in situation of suspending or recalling the whole Management Board or when the Management Board is incapable to act due to other reasons,
9. adopting By-Laws of the Supervisory Board determining its organisation and proceeding.

Besides, the Management Board is obliged to obtain approval of the Supervisory Board prior to taking up any of the activities as follows:

1. raising a credit or a loan if liability amount resulting from a specific action exceeds 15% of net assets value, according to the latest balance sheet,
2. granting a credit or a loan if liability amount 15% of net assets value, according to the latest annual balance sheet.

The Supervisory Board, designates the chartered accountant on the basis of the current rules of law, in particular the regulations contained in the resolution dated 22 May 2009 on chartered accountants and their self-government, entities entitled to audit financial statements and public supervision and on the basis of the provisions of the „By-Laws on the designating the chartered accountant to audit the financial statements, consolidated and unit“, which determines the proceedings of the Management Board and Supervisory Board in designating the chartered accountant.

In accordance with the adopted statement of corporate governance (RB1/2008, dated 3.01.2008) in relation to non-compliance with Rule 7, Part III of the Best Practice Rules for Supervisory Boards contained in the „Best Practice Rules for WSE Listed Companies“ the Issuer has not appointed a committee for pay and committee for audit. Functions of these committees exercises

the Supervisory Board of the Issuer. Members of the Supervisory Board has the appropriate knowledge and competence in this field.

The Supervisory Board of the Issuer in accomplishment of its duties referred to in Art. 86 Par. 3 and Par.7 of the Resolution dated 22 May 2009 on the chartered accountant and their self-government, entities entitled to audit financial statements and on the public supervision (Dz. U 2009 nr 77 poz. 649) on its session held on 27 November 2009 adopted a resolution on incorporating task of the audit committee into scope of tasks of the Supervisory Board. The Supervisory Board of KOPEX SA on the grounds of the adopted resolution and considering the fact that the Supervisory Board is composed of not more than 5 members, decided that no separate audit committee will be appointed and tasks of this audit committee, set forth in Art. 86 Par. 7 of the aforesaid resolution, will be accomplished by the Supervisory Board of the Company by means of including those tasks into scope of tasks of the Supervisory Board set forth in the By-Laws of the Supervisory Board.

For the §4 of the part III „Tasks and powers of the Supervisory Board“ of the „By-Laws of the Supervisory Board“ point 4 was added as follows:

„Specific tasks of the Supervisory Board under Art. 86 Par. 3 and Par.7 of the Resolution dated 22 May 2009 on the chartered accountant and their self-government, entities entitled to audit financial statements and on the public supervision (Dz. U 2009 nr 77 poz. 649) includes the following tasks of the audit committee:

- 1) monitoring the financial reporting process;
- 2) monitoring the effectiveness of internal control systems, internal audit and risk management,
- 3) monitoring performance of auditing;
- 4) monitoring the chartered accountant's independence and the entity authorized to audit financial statements.“

5. ADDITIONAL INFORMATION

5.1 ESTIMATION OF FINANCIAL RESOURCES MANAGEMENT.

On 31.12.2009 the financial situation of the company is as follows:

- credit liabilities at 31.12.2009 – PLN 63.213 thou
- capital at 31.12.2009 – PLN 24.823 thou

Cooperation with banks financing the Company's registered activities is proceeding correctly. KOPEX SA meet its liabilities timely, service of credits is performed without interference, both in terms of timely loan repayment and interest as well as commissions.

In 2009 the Company, through the effective management of financial resources, has secured a liquid financial service of trade liabilities and other financial liabilities.

The Company used its own cash, profit and depreciation, as well as external financing (credits and loan).

In 2009 the Company also issued a C-series shares, by which received PLN 157.000.000. Those resources were used for further Company's investments and acquisition in 2009.

In 2009 the Company repaid a loan of PLN 9.000.000 to ZZM S.A. based in Zabrze. Thus, the Company has no loan liabilities.

In 2009 the following entities had repaid the loans, previously granted by the Company: Tagor SA (PLN 1.500.000), Dozut-Tagor Sp. z o.o. (PLN 350.000 thou), Kopex PBSz (EUR 200.000 thou).

The Company has a multi-purpose credit limits in a banks amounting to PLN 301.000.000 (PKO BP and ING Bank Śląski), credit limit in BRE Bank amounting to PLN 25.000.000, and additionally lines of guarantee in a various banks amounting to PLN 91.407 thou. Besides, during 2009 the Company obtained two promises of a credits amounting to PLN 160.000.000.

The Company constantly regulates its credit interest liabilities to the banks. There are no overdue trade and public-law liabilities in the Company.

Overdue debt collection was carried out intensively, contract payments were ongoing monitored and recovered.

Occuring excess of the capital were deposited into the banks (overnight deposits).

Liquidity ratio and liability ratio are constantly monitored, in order to keep them at a safe level.

The Company prepares and monthly updates projected cash flow for a period of six months, which allows to respond flexibly to current and future financial needs of individual trade divisions and other organizational units of the Company.

Cost conditions for obtaining credit and guarantee lines are the result of individual negotiations, aimed at the lowest possible financial burdens.

Good financial standing of the Company (constantly monitored and evaluated by the financing banks) allows the Company to use external financing at the current level, despite the global economic and financial crisis.

During the 2009 the Company acquired 4, 5 and 9 – series registered bonds issued by Katowicki Holding Węglowy based in Katowice, with a total nominal value of PLN 67.500.000. The bonds redemption will follow as non-cash rendition in the form of coal supplies in 2009 and 2010, while coal supplies under tranche 4 were made in 2009.

The Company shall be protected against currency risk using forward-type derivatives. Company manages hedge accounting and natural hedging. Did not apply and does not apply speculative transactions.

Banking negative valuation of hedging transactions opened on 31.12.2009 (subsumed through changes in equity and in income statement) amounted to PLN 21.199 thou. It should be noted that the future cash flows arising from implementation of the contracts are secured. At the time of delivery and collection of liabilities, negative valuation of the hedging instrument will be compensated by additional revenues of hedged item, thereby the planned profitability of the transaction will be preserved.

The Company secured the right to finance commercial transactions and finance acquisition planned for 2010 by the availability to the unused credit lines and promissory notes granted by the banks.

The Company has many guarantee and insurance lines (required by domestic and foreign clients – bid bonds, advance payment guarantees, performance bonds and payments guarantees).

It should be emphasized that a good financial standing as well as access to bank lines of credit allows the Company to participate in many national and international tenders, in which one of the conditions is sufficiently high revenue potential of the offerer.

Due to an apparent financial crisis, which is characterized by i.a. increased risk of non-payment by contractors, as well as limited bank lending, the Company plans in 2010 – strenghtening of financial discipline, cost optimization, monitoring the currency situation, further limiting the credit risk by formal security of future contractual liabilities and close cooperation with banks and banking institutions.

5.1.1 INFORMATION ON USE OF BANK CREDITS

During the reporting period, KOPEX SA financed its activity using i.a. overdraft credits as well as targeted credits and bank loans. The state of debt in the individual banks at 31.12.2009 shows the following table.

PLN THOU

Bank name	Amount of line/loan		Repayment period	Use at 31.12.2009	
PKO BP S.A.	in current account	179,000	01-07-2011	in current account	53,260
	bank guarantees	71,000		bank guarantees	47,070
	letters of credit	11,000		letters of credit	-
ING S.A.	in current account	25,000	31-03-2010	in current account	9,953
	bank guarantees	15,000		bank guarantees	12,658
BRE Bank S.A.	in current account	25,000	29-06-2010	in current account	-
TOTAL:		326,000			122,941

In 2009, the following events has occurred:

- On 30/06/2006, KOPEX SA has concluded with PKO BP SA credit agreement in the form of a multipurpose credit limit. At the end of 2009 the total credit limit amounted to PLN 261.000.000. The size of the individual sublimits was changed. Within the limit, KOPEX SA, at 31/12/2009, is able to use: overdraft credit amounting to PLN 179.000.000, operating credit in a revolving credit line amounting to PLN 11.000.000 for securing the payments from letters of credit; besides the Bank will provide bank guarantees in domestic and foreign up to PLN 71.000.000 on behalf of KOPEX SA. In the view of specificity of the Company's operation, it is extremely advantageous to adapt the structure of use of individual bank instruments flexibly (various types of credits, guarantees, letters of credit) under „multipurpose credit“. The credit interest rate is WIBOR 1M plus bank margin. Period of limit's use expires on 1.07.2011.
- On 27.03.2009 and 29.06.2009 were respectively signed Annex No 1 and Annex No 2 to the Agreement on integrated credit limit concluded on 24.06.2008 with ING Bank Śląski SA. By the terms of those annexes availability term of the credit was prolonged until 31.03.2010. Sublimits for the Group's companies / parties of the Agreement remain unchanged. By the terms of the Annex No 1 bank's margin was changed.
- On 4/08/2009 KOPEX SA together with ZZM SA, Tagor SA, Wamag SA and Kopex-Famago Sp. z o.o. signed with BRE Bank SA overdraft credit Umbrella Facility agreement. The total credit limit granted to the above mentioned companies amounts to PLN 35.000.000. Within the limit, KOPEX SA has a limit amounting to PLN 25.000.000. Credit limit bears interest at a variable rate, fixed on the basis of WIBOR rate for deposits O/N plus bank margin.

In accordance with KOPEX SA policy, terms of use of bank credits and credit cost were each time negotiated with the banks. Among the submitted bank tenders, there were selected the best tenders for the company in terms of pricing and in terms required by the bank legal securities of repayment, as well as in terms of of specificity of the Company's operating.

5.1.2 INFORMATION ON GRANTED AND RAISED LOANS, SURETYSHIPS AND GUARANTEES – AT 31.12.2009

- **Loans raised by KOPEX SA**

In 2009 KOPEX SA didn't raise any loan.

Within 2009, there has been a full repayment of the balance of PLN 9.000.000 of the loan which originally amounted to PLN 85.000.000. The loan was granted by ZZM SA under the agreement dated 10.10.2007.

- May 2009 – PLN 2.000.000,
- June 2009 – PLN 2.800.000,
- July 2009 – final liability – PLN 4.200.000.

- **Loans granted by KOPEX SA**

At the end of 2009 the balance of use of the loans (excluding interests) granted by KOPEX SA was:

- a. loans granted in PLN – PLN 16.372 thou,
- b. loans granted in EUR – EUR 5.007 thou,
- c. loans granted in USD – USD 1.726 thou.

PLN THOU

	DATE OF LOAN	BORROWER	LOAN'S AMOUNT	DEBT BALANCE AT 31-12-2009	REPAYMENT TERM
1	8 February 2008	Tagor S.A.	20.000	5.243	30 June 2010
2	3 November 2008	Dozut-Tagor S.A.	700	350	31 August 2010
3	10 June 2009	WAMAG S.A.	1.500	1.500	31 December 2010
4	14 August 2009	WAMAG S.A.	1.500	1.500	30 June 2010
5	6 November 2009	WAMAG S.A.	4.000	4.000	30 March 2010
6	14 August 2009	El-Gór Sp. z o.o.	50	13	30 June 2010
7	6 March 2009	KOPEX-EKO	500	500	28 February 2010
8	24 June 2009	KOPEX-EKO	300	300	28 February 2010
9	17 November 2009	KOPEX-EKO	70	66	31 March 2010
10	21 November 2009	Kopex Polskie Biogazownie	2.500	1.600	31 December 2010
11	28 December 2009	HSW Odlewnia	1.300	1.300	31 December 2010
TOTAL:			32.420	16.372	

EUR THOU

	DATE OF LOAN	BORROWER	LOAN'S AMOUNT	DEBT BALANCE AT 31-12-2009	REPAYMENT TERM
1	31 October 2007	KOPEX MIN-FITP A.D.	800	800	30 June 2011
2	15 November 2009	KOPEX MIN-FITP A.D.	206	206	30 June 2011
3	16 November 2009	KOPEX MIN-FITP A.D.	100	100	30 June 2011
4	8 December 2009	KOPEX MIN-FITP A.D.	200	200	30 June 2011
5	31 October 2007	KOPEX MIN-OPREMA A.D.	1900	1900	30 June 2011
6	25 May 2009	KOPEX MIN-OPREMA A.D.	1100	1100	30 June 2011
7	15 November 2009	KOPEX MIN-OPREMA A.D.	126	126	30 June 2011
8	10 April 2008	KOPEX MIN-LIV A.D.	500	500	30 June 2011
9	25 May 2009	KOPEX MIN-LIV A.D.	35	35	30 June 2011
10	15 November 2009	KOPEX MIN-MONT A.D.	40	40	30 June 2011
TOTAL:			5.007	5.007	

USD THOU

	DATE OF LOAN	BORROWER	LOAN'S AMOUNT	DEBT BALANCE AT 31-12-2009	REPAYMENT TERM
1	12 June 2008	PT. TUNNEL MINING INDONESIA	800	343	31 December 2010
2	20 August 2009	KOPEX MINING CONTRACTORS	1.383	1.383	31 December 2010
TOTAL:			2.183	1.726	

In 2009 have been fully repaid loans granted by the Company under the following Agreements:

- TAGOR SA – loan agreement, dated 15.07.2009, amounted to PLN 1.500 thou,
 - KOPEX-PBSz SA – loan agreement, dated 10 February 2009, amounted to EUR 200 thou.
- Besides, within 2009 DOZUT-Tagor made a partial repayment amounting to PLN 350 thou under the loan granted by the Company, in accordance with the agreement dated 3.11.2008.

In 2009, terms of repayment of the following loans have been prolonged:

- TAGOR SA - loan dated 8.02.2008, amounting to PLN 5.242.624,02 prolonged till 30.06.2010,
- WAMAG SA – loan dated 10.06.2009, amounting to PLN 1.500 thou, prolonged till 31.12.2010,
- WAMAG SA – loan dated 14.08.2009, amounting to PLN 1.500 thou, prolonged till 30.06.2010,
- KOPEX-EKO – loan dated 17.11.2009, amounting to PLN 70 thou, prolonged till 31.03.2010.

GRANTED SURETYSHIPS

PLN THOU

DATE OF SURETYSHIP	ENTITY FOR WHICH SURETYSHIP HAVE BEEN GIVEN	PROMISEE	AMOUNT OF SURETYSHIP OR GUARANTEE	PURPOSE OF THE AMOUNTS COVERED BY SURETYSHIP	TERM OF SURETYSHIP
14.07.2009	Elgór-Hansen	ING Bank Śląski	2.000	Credit agreement	30.04.2010
7.09.2009	TAGOR S.A.	Bank Millenium	18.750	Credit agreement	30.06.2010
25.07.2008	TAGOR S.A.	PKO B.P. S.A.	118.000	Credit agreement	25.07.2011
22.07.2008	ZZM S.A.	PKO B.P. S.A	85.000	Credit agreement	30.07.2011
22.07.2008	KOPEX-FAMAGO	PKO B.P. S.A	28.000	Credit agreement	1.07.2011
21.10.2008	TAGOR S.A.	PKO B.P. S.A	25.000	Frame agreement on cooperation in financial market	8.09.2010
20.10.2008	Kopex-PBSz S.A.	PKO B.P. S.A	7.000	Credit agreement	30.06.2012
Total			283.750		

EUR THOU

DATE OF SURETYSHIP	ENTITY FOR WHICH SURETYSHIP HAVE BEEN GIVEN	PROMISEE	AMOUNT OF SURETYSHIP OR GUARANTEE	PURPOSE OF THE AMOUNTS COVERED BY SURETYSHIP	TERM OF SURETYSHIP
3.07.2009	ZZM S.A.	ING Bank Śląski	1.000	Treasury transactions	30.06.2011
3.07.2009	TAGOR S.A.	ING Bank Śląski	1.000	Treasury transactions	30.06.2011
9.12.2009	KOPEX-FAMAGO Sp. z o.o.	Foreign customer	1.115	Warranty of liabilities repayment	31.08.2014
10.03.2008	Kopex Min-Fitip	Raiffeisen Banka AD	412	Bank guarantee	30.10.2013
29.09.2008	Kopex Min-Fitip / Kopex Min-oprema	Raiffeisen Banka AD	1.000	Guarantee line in Raiffeisen Bank	31.12.2010
		Total	4.527		

In 2009, the Company granted the suretyship for loan repayment amounting to PLN 2.000 thou, for Elgór-Hansen SA to ING Bank Śląski, as well as suretyship for credit repayment amounting to PLN 18.750 thou for Tagor SA to Bank Millenium.

KOPEX SA granted the suretyship in EUR for the liabilities of KOPEX-FAMAGO Sp. z o.o. to foreign company.

Besides, the suretyship amounting to PLN 20.000 thou and granted for TAGOR SA to BRE Bank on 13.03.2008, has expired in period in question.

In 2009, the amounts of the suretyships for the liabilities of TAGOR SA in PKO BP SA have been increased:

- from PLN 100.000 thou to PLN 118.000 thou (term of the suretyship have been prolonged till 25.07.2011), under the agreement dated 25.07.2008
- from PLN 16.000 thou to PLN 25.000 thou (current term of the suretyship – 9.08.2010), under the agreement dated 21.10.2008.

During this period, there were no payments from the suretyships.

SURETYSHIPS RECEIVED BY KOPEX SA

EUR THOU

DATE OF SURETYSHIP	ENTITY WHICH GAVE SURETYSHIP FOR KOPEX	PROMISEE	AMOUNT OF SURETYSHIP OR GUARANTEE	PURPOSE OF THE AMOUNTS COVERED BY SURETYSHIP	TERM OF SURETYSHIP
3.07.2009	ZZM S.A.	ING Bank ŚL.	2.000	treasury transactions	30.06.2011
3.07.2009	TAGOR S.A.	ING Bank ŚL.	2.000	treasury transactions	30.06.2011
		Total	4.000		

PLN THOU

DATE OF SURETYSHIP	ENTITY WHICH GAVE SURETYSHIP FOR KOPEX	PROMISEE	AMOUNT OF SURETYSHIP OR GUARANTEE	PURPOSE OF THE AMOUNTS COVERED BY SURETYSHIP	TERM OF SURETYSHIP
27.02.2009	ZZM S.A.	Raiffeisen Bank Polska	17.300	treasury transactions	28.05.2011
28.05.2009	ZZM S.A.	NORD Bank	40.000	treasury transactions	30.09.2010
2.07.2008	ZZM S.A.	PKO B.P.	261.000	credit	1.07.2011
27.08.2008	ZZM S.A.	ING Bank Śląski S.A.	16.474	credit	31.03.2010
30.09.2008	KOPEX-PBSz S.A.	PKO B.P. S.A.	76.023 (as of 31.12.2009)	credit	1.07.2011
Total			410.797		

GUARANTEES GIVEN

At 31.12.2009, the state of guarantees provided by KOPEX SA amounted to PLN 94.111 thou. These are bid bonds, contractals (advance payment guarantee, performance bond). The guarantees are issued by the following banks and insurance companies: BRE; Raiffeisen Bank Polska; PKO BP SA; PEKAO SA; ING Bank Śląski; FORTIS; Citi Bank Handlowy; Deutsche Bank Polska SA; TU Allianz Polska SA; Deutsche Bank Niemcy; Deutsche Bank AG – Niemcy; Allgemeine Versicherung AG – Niemcy; BDU Winterthur – Niemcy.

5.1.3. FEASIBILITY ASSESMENT OF INVESTMENT PROJECTS, INCLUDING CAPITAL INVESTMENTS, IN COMPARISON WITH AVAILABLE RESOURCES, INCLUDING POSSIBLE CHANGES IN THE STRUCTURE OF FINANCING THIS ACTIVITY IN 2010

In 2010, KOPEX plans to pursue the following investment projects:

- purchase of servers, computer hardware, modernization of server room network devices,
- financial acquisitions (purchase of shares/bonds of entities from Company's core-business)

These investments will be primarily financed from KOPEX SA own resources (in particular by amount from C-series shares issue) and by external sources of funding (obtained promises of a credit).

5.2 INSURANCE AGREEMENTS – AT 31.12.2009

- insurance of KOPEX S.A. estate - PZU S.A.
- insurance of mining equipment - PZU S.A.
- act-only policy (OC) of business activity and owned estate - AXA Ubezpieczenia
- insurance of construction and assembly - TUIR WARTA
- cost of treatment insurance of posted employees and employees on foreign contracts - ERGO HESTIA
- international CARGO insurance -AIG Polska
Towarzystwo Ubezpieczeniowe S.A.
- motor insurance (OC, AC, KR, ASSISTANCE, Green Card) - PZU S.A.
- TUIR WARTA

5.3. INFORMATION ON TOTAL VALUE OF WAGES AND AWARDS PAID OR PAYABLE IN 2009 FOR MANAGERS AND SUPERVISORS OF THE ISSUER AND INFORMATIONS ON VALUE OF WAGES AND AWARDS RECEIVED FOR PERFORMING THEIR FUNCTIONS IN THE AUTHORITIES OF THE SUBSIDIARIES, CORRELATIVES AND AFFILIATED

THE ISSUER'S MANAGERS

MANAGEMENT BOARD	
Surname and first name	PLN thou
JĘDRZEJEWSKI KRZYSZTOF	477
KOSTEMPSKI MARIAN	878
PARZYCH JOANNA	383
SOROKA TADEUSZ	390
WOLSKI JÓZEF	267
TOTAL WAGES	2 395

THE ISSUER'S SUPERVISORS

SUPERVISORY BOARD		
Surname and first name		PLN thou
BAJDA	IWONA	39
BARGIEŁ	STANISŁAW	39
JĘDRZEJEWSKI	DAMIAN	39
KALKUSIŃSKI	ADAM	39
MISIUNA	MARZENA	39
TOTAL WAGES		195

All the agreements between the issuer and managers provides for compensation in the event of resignation or dismissal without a valid reason or when recalling or dismissal occurs due to the issuer's consolidation through takeover.

The agreements between the Issuer and the members of management board of KOPEX SA provides for compensation in the event of resignation or dismissal without a valid reason:

- Kostempski Marian – Chairman of the Board – compensation paid monthly for 12 months with respect to refrain from dealing with competing interests, amounting to 100% of average salary for the last 3 months preceding the month in which the agreement denouncement occurred. The Company may release the Chairman from the non-competition clause.

- Parzych Joanna – Vice Chairman of the Board - compensation paid monthly for 12 months with respect to refrain from dealing with competing interests, amounting to 100% of average salary for the last 3 months preceding the month in which the agreement denouncement occurred. The Company may release the Vice Chairman from the non-competition clause.

- Soroka Tadeusz - Vice Chairman of the Board - compensation paid monthly for 12 months with respect to refrain from dealing with competing interests, amounting to 100% of average salary for the last 3 months preceding the month in which the agreement denouncement occurred. The Company may release the Vice Chairman from the non-competition clause.

Wolski Józef - Vice Chairman of the Board - compensation paid monthly for 12 months with respect to refrain from dealing with competing interests, amounting to 100% of average salary for the last 3 months preceding the month in which the agreement denouncement occurred. The Company may release the Vice Chairman from the non-competition clause.

**5.4. SIGNIFICANT RISK FACTORS.
CHARACTERISTICS OF INTERNAL AND EXTERNAL FACTORS WHICH ARE
IMPORTANT FOR THE COMPANY'S DEVELOPMENT.
EVALUATION OF ATYPICAL FACTORS AFFECTING THE OUTCOME ON
ACTIVITIES FOR THE FISCAL YEAR 2009.**

Significant risk factors are presented in the following SWOT analysis.

SWOT FRAMEWORK ANALYSIS – „KOPEX“ SA

CHANCES	RISKS
<ul style="list-style-type: none"> • Ongoing price boom in commodity markets of the world; • Growth of interest in a feasibility projects in so far as mining industry – what bear testimony to upcoming significant investments in the world; • Growing interest in the supply of mining machinery and equipment as well as spare parts, e.g.: Romania, Middle East, Argentina, China; • Possession of license to sell electricity, liquid fuels and goods of strategic importance; • Demand for mining services, also associated with the extraction of salt and other minerals; • Significant increase in quality of Polish industrial products and the attractiveness of the price; • Greater openness to the activity of Polish enterprises on world markets; • Increase of expenditures and requirements for environmental protection; • Increase in electricity prices; 	<ul style="list-style-type: none"> • Rapidly progressive consolidation of the Company's major competitors; • Lack of specialists in typical industrial occupations; • Generational gap among skilled miners in Poland; • Strengthening the position of competitive Polish and foreign companies; • Weak government's support for Polish exporters; • Changes in legislation; • Changes in the tax system; • Possible of loss of skilled employees; • Increase of inflation factor; • Increase in labor costs / salaries; • Increase in electricity prices; • Increasing competition in global and national markets; • Delays in the milestone schedules of some agreements; • Expensive import kompletacyjny; • High barriers to entry in certain markets; • Increase in costs associated with reconstruction of production facilities owned; • Limits of use of production capacity; • Economic and financial crisis; • Faltering financial position of the Polish mining industry
COMPETENCES	SHORTCOMINGS
<ul style="list-style-type: none"> • Established position and brand at home and abroad; • Entry into new areas of sale, which require advanced technology; • Industry and geographical diversification of products and services; • Stability of cooperation with customers; • Beneficial ownership structure that provides a clear strategy for the development of the Capital Group; • Access to production facilities providing complex commercial offer; • Stable financial situation; • Extensive experience in conducting large investments projects worldwide; • A diversified portfolio of products and services offered; • Orientation in the needs of foreign 	<ul style="list-style-type: none"> • Large exposure to currency fluctuations; • Dissipation of the Company's assets; • Too low potential of the reserve personnel on implemented abroad projects; • Significant dependence of the value of revenue from economic trend in the coal mining industry.

<p>contractors as well as in the production capacities of Polish industry of mining engineering;</p> <ul style="list-style-type: none"> • Experience in obtaining funding and building of trade finance for investments projects; • Experience in successful reducing exchange rate risk 	
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Characteristic of market liquidity management, financial risk, currency risk and its susceptibility to change, as well as changes in interest rate risk, price risk and credit risk have been included in additional information of the financial statement.

The Company is exposed to currency risk primarily in connection with its core business, i.e. sales and purchase of goods and services in foreign currency (mostly EUR and USD).

The main financial instruments hedging currency risk are forward foreign exchange dealings.

To reduce the currency risk, according to the strategy adopted by the Management Board, we apply the procedure for securing the actual financial flows.

The Company does not close speculative dealings.

In 2005, the company KOPEX SA adopted a „Strategy for hedging currency risk and interest rates“, according to which hedging dealings are made (in relation to the exchange rate assumed in the calculation of the bid) at the time of signature of the commercial contract, and in case of contracts on sale of coal / electric power at the time of forwarding order of the goods / electric power purchase.

The Company applies hedge accounting (a detailed description in the accounting principles) and natural hedging.

At 31.12.2009 the Company had open currency position amounting to:

- USD 93 532 thou
- EUR 11 989 thou

The fair value of the above mentioned forward deals at 31.12.2009 amounted to (negative valuation): PLN 42.753 thou (realized hedging dealings held in equity until the elective hedged dealing amounted to PLN 21.554 thou and unrealized dealings amounted to PLN 21.199 thou), according to valuation models used by banks in which the dealings were carried out, the amount of PLN 37.703 thou (realized dealings amounted to PLN 21.554 thou and unrealized dealings amounted to PLN 16.149 thou) has been subsumed as an update on equity and the amount of PLN 5.050 thou in profit and loss account (dealings for which hedge accounting is conducted and the result is shown in the profit and loss account in other revenues amounted to PLN 1.045 thou). Negative valuation of the Company's hedging dealings as at 31.12.2009 was made by the banks on the basis of the spot rate – USD 2,8503 and EUR 4,1082.

Another unusual factor in the form of restrictions on lending by banks is not significantly affected the Company. The Company has unused, multi-purpose credit lines, which allowed and allow for a smooth financing of current activities of the Company.

5.5. OUTLOOKS FOR THE DEVELOPMENT OF THE ISSUER AND THE CAPITAL GROUP

The year 2010 is a difficult year across the world mining industry. Implementation of investments projects in the areas of building new coal mines, running new technologies and upgrading old is an imperative to many world economies. Many countries – whether producers and exporters of coal, or energy consumer and producers of steel, based on own coal resources – puts emphasis on the intensive development of this sphere of their economies and launched implementation of far-reaching plans. After all, the global financial crisis has taken its toll on these processes.

Hence, in the first two quarters of 2010 and perhaps in the whole 2010, will be a noticeable decline in purchase of investments goods associated with mining. However, this is not the effect of drop in demand for mining machinery and equipment, it results more from the problems associated with obtaining and preparing credit lines and financing procedures for such a large investments. Awareness of these factors in 2009 caused a very severe price competition among the major world supplier of mining equipment and services in world markets. It is presumed that many contracts were concluded with minimal (almost zero) margins. The reason was to maintain strategic market position, or at least prepare such a strategic position for future years that are expected to be a boom in mining. Future development and current situation of an industry can be better understood through the analysis of information and events at each of the world mining markets.

Australia

Extraction and export of coal (mainly coking coal) represents over 65% of the country's economic activity. At the moment, a characteristic in the Australian mining business is involvement in obtaining mining concessions and construction of new mines by foreign entities registering there subsidiaries. There they begin extraction activity – alongside local and international companies, thus far operating on this market – from the construction of mines on the coal reserves on the basis of concessions granted to them. Striking example is the involvement of a potent Brazilian concern Vale, which for the first time in its history, exactly in Australia, has engaged in abyssal coal operation. Kopex had made for this concern a delivery of integrated longwall system through its subsidiary INBYE Mining Services Pty. Ltd., on the basis of powered supports produced by TAGOR SA based in Tarnowskie Góry. Entry of national funds (Chinese, Indian and Brazilian) to the Australian market is seen as a new quality and a new trend. So far, the above-mentioned countries acquired the Australian coal through purchases from local or international mining concerns. Currently, they are establishing there own companies engaged in the operation of coal reserves. Of course, all existing coal producers are also increasing production by opening up new mining fields and the exchange of legacy systems to modern technology. This is a key market for the Group. It is the most technically demanding market in the world and references gained therein have unprecedented importance in other markets of mining equipment. Knowledge of the importance of that market was the reason for the funds involvement of Kopex in the previous years, through the acquisitions of companies operating there and through opening of new ones. Kopex had already invested there significant resources through acquisition of shares of INBYE Mining Services Pty. Ltd. in New South Wales, establishment of company Kopex Australia Pty. Ltd. in Queensland and most recently by acquisition of a company Waratah Engineering in New South Wales, which manufactures mining machinery for pillar-chamber technology. Underground coal mining technology in the pillar-chamber system is the second, in addition to longwall technology, most common method of mining. Waratah Engineering – in fact, already been formally named Kopex Waratah – is a manufacturer and supplier of shuttle cars, which are used for receiving excavated material from the „continupus miner“ shearer and for transport of this excavated material on the surface or to loading station of belt conveyors.

China

It is the largest and most dynamically developing market of the world mining. China – as previously announced – thoroughly modernising the structure of its mining industry. It is followed by processes of consolidation of small, technically old and dangerous to humans mines into large and modern consortia and mining companies. In 2010 China plans to exceed the barrier of an annual output at 3.1 billion tones. The government has assign the task to mining companies operating there - increasing output by 10 million tons annually. Obtaining such a results is possible only on the basis of the use of the latest generation of mining equipment, mainly longwall shearers with huge capacity and advanced control and monitoring systems. Chinese producers still do not have such devices, hence the Kopex Group pinned high hopes (in 2010) in the supplies of its newest shearers to this country. So far, Kopex successfully supplied power roof

supports there. In this way, the last capital expenditure incurred on the development of those new equipment and production facilities are likely to be relatively quickly returned. Of course, this will enable the further intensive development of these equipment to meet the well-known global competitors. The Group expects also the development of sell of next powered supports, however – in the view of raised customs duty rates on these devices by the Chinese government – it will be done by increasing the activities of Chinese subsidiary Tagao in Shandong province. There will be also carried out promotion of other Group's products to make full use of Kopex presence in China in the field of basic machine-made systems of longwall technology. Currently, China's mining industry is not only known from dangerous mines and catastrophes. There also state of the art mines, whose mining level reaches 1 million tons of excavated material per month with only one discharge wall. Such results can not boast of any country, including Australia. Any other country, including Australia, can not boast of such results. Thus, sales of Kopex's systems in China is also an excellent reference for other mining markets.

India

It is – like China – intensively developing country , however suffering from shortages of energy to power economic and civilization growth. Development of the Indian mining industry comes up against many obstacles and complicated domestic conditions, slowing down progress in the intensification of mining. Large, already existing companies have a complex ownership structure. They are usually partially owned by central government and state and provincial authorities. The complicated political situation is not conducive to critical and important decisions concerning the development of mining industry. Small private investors have taken up the desperate decision to purchase a mining license outside India, although India have enormous coal reserves of both steam coal and coking coal. All these phenomena – together with the lack of experienced engineering staff that knows the problems of modern systems of mining – motivates coal companies to make unconventional business proposals for potential suppliers of mining systems. Usually it boil down to BOO or BOT proposals – proposals of long-term investment in the supply of mining systems, installation them in Indian mines and alone (or joint) mining. Profit on sale would be divided between the local coal mine owner and the contractor. However, it do not meet with a larger and more serious interest of the world's leading manufacturers of equipment, since the great majority of the companies is not directly involved in the typical mining. Potential period for return on invested capital and the uncertainty as to long-term of business assumptions effectively discouraged to engage in such agreements. However, significant and beneficial changes were recorded in this area from the beginning of 2009. The most modern union Singareni (SCCL), partially owned by central government, and partly by the government of Andra Pradesh state, opened some classical tendering procedures and one of them ended with an agreement with Kopex Group's competitor, namely the American company BUCYRUS. It concerned delivery of longwall systems and services for Adrala mine. In addition to wall systems it is also possible to sell products of companies such as Waratah and WAMAG, as well as simple individual legs produced by TAGOR. 2100 will be a breakthrough year in the Indian market. While the international mining exhibiton Kolkata 2010 in January 2010, the Indian government has presented a new strategy for the development of mining industry.

The aforesaid company plans to build as many as 37 modern mines until 2017. Tenders for the supply of their equipment will have an international character based on clear and transparent rules of trade and technology. It is, therefore, a chance to open up by India for the supplies from the world's leading manufacturers of mining machinery, including Kopex Group, known for supplies and mining services in the era of the CMEA.

South Africa

Renowned exporter of high quality steam coals. There are several international mining companies in this country. In recent years, there were opened up many smaller local mining companies usually operating on one open pit mine and/or abyssal mine. At the moment South Africa's abyssal mines are dominated by systems to conduct pillar-chamber operation. This fact is

associated with the specific geological areas in which mining is carried out and with the restrictions on the longwall mining front conduction arising from mining and geological conditions. In recent years there has been a significant increase in the number of electricity consumers, both on the part of the growing industry and of more modernly equipped households. Over the last three years, the state-owned energy corporation was not able to provide an adequate level of energy supplies and was often forced to the exemption of the periodic power shutdown supply in the considerable regions of the country. It concerned even the institution as preponderant as government facilities, hospitals, clinics and even international airports. As a result of the above mentioned problems, the South African government has decided on intensive expansion of the country's energy base, by building new power plants and by modernizing and re-running facilities that have been excluded from the activity. However, due to longstanding investment cycle of building new power plants, at the moment the priority is to restore to the action and modernization of old power plants. This also leads to a sharp increase in demand for coal within the country. Many new mines (open pit and abyssal) are opened up (preferably near a potential recipient). At the same time, intensive design works of new abyssal mines are ongoing. Development and future prospects of African mining industry inclined the Group's Management to expand the activities of the local company Kopex+Genwest by activity related to the production of mining equipment. So far, the company was engaged in the production and delivery of power systems and distribution of electrical power for abyssal mines. In the face of strong growth in demand for coal, return to longwall systems by mining companies is very probable. However, new energy facilities will require supplies at a level not less than 10-11 million tons per year. Therefore, large mining companies has already begun the analysis connected to return to longwall operation as the only one that is able to provide the expected level of output.

Indonesia

Renowned exporter of high quality steam coal. Coal mining is based solely on open pit mines. Currently, the outlook for the local mining industry is determined by two main geological and geographical factors. Open pit mines are a source of enormous problems of water and environmental devastation. The only reasonable way to continued operation of such mines become deep mining. This gives benefits such as significant less disruption of water and opportunity to preserve forest areas almost intact. However, the operation inclination of the abyssal coal seams causes that the typical Australian mining technology (operation of flat seams) are not applicable in those conditions. What is needed is the ability of operation with an inclination of seams of 20 degrees, which – in Polish conditions – is not a problem. Experience in the operation of the inclined seams is a strong technological advantage of Kopex in the promotion and use of Polish experiences in the Indonesian conditions.

Russia

Traditional receiver of Polish longwall systems for coal mining. This market has been particularly affected by the financial crisis. In its initial phase, it has led almost to a halt in investment processes in major mining companies. However – according to the policy of the Russian government – coal is to be the primary energy carrier of the Russian economy, while the other fossil fuels, such as oil and gas remain the primary source of income coming from the export. Russia is the traditional receiver of the Group's products and services. In particular, high reputation have a longwall sheares produced by Zabrzeńskie Zakłady Mechaniczne. An important fact in the Russian market has become an offensive of the Chinese manufacturers who can offer very attractive credit terms of supply of equipment. Noticeable is also intensive activity of Czech competitors who also have an attractive credit to customers, guaranteed by the Czech government. In the current financial circumstances we must be aware of the fact that the Chinese and Czech offers might prove to be attractive for the Russian coal producers. Our hopes lies in the fact that the willingness of Russian coal companies to provide the highest level of equipment which ensures the achievement of significantly higher capacity, has a very high technical parameters and high reliability, will encourage coal producers in Russia (or at least the most important of them) to pay closer attention to the latest technology of Kopex Group's companies.

In 2010 we expect to sell at least several modern longwall shearers and scraper conveyors produced by Ryfama based in Rybnik, which has a good brand on this market and has been recently acquired by Kopex. By incorporating Ryfama into the Kopex Group's structure there is also a high probability of selling a longwall system to at least one of the Siberian coal companies. Russia is an attractive market, but it is still a developing market.

Mexico

Mining activity in this country is primarily related to the AMSA company, listed on the New York Stock Exchange. AMSA's area of activity is the supply of electricity to Mexico and the United States, as well as coal mining in Mexico (surface mining and underground mining). The main focus of the Group are the two mining companies belonging to the AMSA, namely MIMOZA and MICARE. Many global companies, including Polish's companies, take part in tenders for the supply of mining machinery. So far, Ryfama has been successful, providing these two complete systems of scraper conveyors and even persuading the customers to change the way of operation of the beam stage loader from the American technology to the Polish technology. This gave the customers a significant increase in the level of extraction, which considerably strengthened the position of Ryfama in this market.

Domestic market

It is a traditional market for members of Kopex Group, where – depending on the type of equipment – they have more or less stable position as suppliers. The strongest market position – due to the undisputed quality and technological level of its products – has Zabrzańskie Zakłady Mechaniczne. The basic and attractive form of cooperation for the customers is a lease of longwall shears. There are plans to lease about 40 new longwall shears of various types. The difficult market situation has Tagor, based in Tarnowskie Góry – producer of powered roof supports. In the domestic market Tagor competes with Fazos – belonging to the competitive Famur Group, as well as with self-dependent producer - Glinik from Gorlice. There are also a number of smaller business entities on the market, offering the supply of new and modernized supports, hence the level of profitability – in a fierce competitive struggle – is very low. WAMAG from Wałbrzych is planning to provide to the domestic market an equipment related to the equipping of enrichment and coal preparation works (screens, centrifuges, crushers, etc.). In addition, the subject of supplies will be bucket crockery, complete belt conveyor and roadheader of the latest generation (a successfully working in the Murcki mine). FAMAGO from Zgorzelec will provide this year a unit of belt conveyors to the open-pit mine Turów and spare parts and subassemblies for mining equipment to mines Turów and Bełchatów. Quite a significant breakthrough is a considerable increase in demand for mining services from KOPEX-PBSz from Bytom. The Company – apart from continuation of tunnel workings for KGHM – is launching a major contract on shaft sinking for Zofiówka mine and Peter shaft sinking for Mysłowice mine. KOPEX-PBSz has also acquired the contracts on the modernization of the shafts Budryk 1 i Budryk 2.

5.6. INFORMATION ON BASIC PRODUCTS AND SERVICES OF THE COMPANY

Product structure of sales income for 2009 compared to 2008:

SPECIFICATION	2009	STRUCTURE % [2]	2008	STRUCTURE % [4]	PLN THOU/%
					DYNAMISM % [2008/2007]
1	2	3	4	5	6
VISIBLE EXPORT	430 508	49,7%	230 251	30,8%	187,0%
MACHINERY AND PARTS FOR MINING MACHINERY	66 040	7,6%	75 430	10,1%	87,6%
ELECTRIC ENERGY	323 619	37,4%	94 921	12,8%	340,9%
COAL	40 849	4,7%	59 900	8,0%	68,2%
SERVICES EXPORT	19 473	2,2%	63 582	8,5%	30,6%

MINING SERVICES	9 162	1,1%	26 193	3,5%	35,0%
MACHINERY AND PARTS FOR MINING MACHINERY	8 138	0,9%	1 400	0,2%	581,3%
WORKSHOP AND VARNISH SERVICES	-	0,0%	25 939	3,5%	0,0%
OTHER	2 173	0,2%	10 050	1,3%	21,6%
TOTAL EXPORT	449 981	51,9%	293 833	39,3%	153,1%
COUNTRY GOODS	409 619	47,2%	438 838	58,8%	93,3%
ELECTRIC ENERGY	409 708	47,2%	428 653	57,4%	95,6%
MACHINERY, EQUIPMENT AND PARTS	41	0,0%	9 447	1,2%	0,4%
OTHER	-130	0,0%	738	0,1%	
COUNTRY SERVICES	7 435	0,9%	14 558	2,0%	51,1%
MINING SERVICES	-	0,0%	12 490	1,7%	0,0%
OTHER SERVICES	7 435	0,9%	2 068	0,3%	359,5%
COUNTRY TOTAL	417 054	48,1%	453 396	60,8%	92,0%
TOTAL SALES	867 035	100,0%	747 229	100,0%	116,0%
INCLUDING:					
SERVICES	26 908	3,1%	78 140	10,5%	34,4%
GOODS	840 127	96,9%	669 089	89,6%	125,6%

In the year 2009 total income amounted to PLN 867.035 thou. and it was higher than income gained over the same period in 2008 by 16,0%. Increase in export sale by 87,0% contributed to better result in total sales income.

In the year 2009 export sale amounted to PLN 449.981 thou. Income increased by 53,1% in comparison with the same period in 2008. Increase income from export sale was gained on electric energy sale and it was higher than sale in 2008 by 240,9%.

Decrease in income from mining, workshop and varnish services contributed to decrease by 69,4% export income from services sale. Transfer of this services to the subsidiary contributed to decrease in income from services.

Positive trend in sale increase was recorded in services related to export of mining machinery and equipment. The value increased by 483,1% in comparison with the same period in 2008.

Despite a significant increase in electric energy export sale (by 240,9%), the Company recorded a decrease in income from the export sale of goods, mainly due to decrease in coal sale (by 31,8%) and sale of goods related with mining machinery and equipment (by 12,4%) in comparison with the same period in 2008. A shift in the time of sale of mining machinery and equipment from 2009 to 2010 was a factor that caused it.

In the year 2009 income from sale on domestic market amounted to PLN 417.054 thou. Income decreased by 8,0% in comparison with the same period in 2008.

Decrease sale on domestic market was recorded mainly in mining machinery and equipment, electric energy and mining services which were transfer to the subsidiary.

5.7 MARKETS OUTLET

Main markets outlet of Kopex SA:

FOREIGN COUNTRIES:

- Argentina – export of mining machinery and equipment,
- Austria – export of electric energy and coal,
- Bangladesh – consulting services,
- Bulgaria - export of energy machinery and equipment,

- China - export of mining machinery and equipment,
- Czech Republic – export of electric energy and energy machinery and equipment,
- Denmark – export of coal,
- France – mining services,
- Germany – export of electric energy,
- Great Britain – export of coal,
- Hungary – export of mining machinery and equipment,
- Indonesia – geologicla services, lease of mining equipment and machinery,
- Iran - export of mining machinery and equipment,
- Italy – mining services,
- Netherlands – export of coal,
- Norway - export of coal,
- Portugal - export of coal,
- Romania - export of mining and energy machinery and equipment,
- Slovakia - export of electric energy and coal,
- Spain – export of coal.

COUNTRY: IT services, logistics services, sale of goods, including: electric energy, mining machinery and equipment.

The largest customers of the Issuer in 2009 are companies operating on electric energy sales in Poland, Germany, Austria and Slovakia. The largest customers in the sale of mining machinery and equipment were from China, while the largest customers in sale of coal were companies from Slovakia, Great Britain, Norway, Denmark, Austria, Portugal and Netherlands.

In 2009, there is no customer, whose share of income sales exceeded 10% of the sales income of Kopex SA.

Major suppliers of the Company in 2009:

KOPEX SA act as central coordinator of the supply of materials for the whole Capital Group. The Group has developed network of supply, mainly based on domestic market. Part of the supply is effected within the Capital Group.

The Issuer's largest suppliers in 2009 in the sale of mining equipment and machinery, electric energy and coal are companies operating in the domestic market.

The share of one of the suppliers exceeded 10% of the sales income of Kopex SA in 2009 – it was a company that sells electric energy – PSE ELEKTRA SA, whose share of sale was 20%, there is no formal connections of the above mentioned supplier with Kopex SA.

5.8 SIGNIFICANT AGREEMENTS – EVENTS FOR THE COMPANY'S AND CAPITAL GROUP'S ACTIVITIES

During the reporting period the Issuer and its subsidiaries has conducted statutory business activity.

Kopex Group's companies during the reporting period signed several trade agreements, including:

On 30.07.2009 KOPEX-Przedsiębiorstwo Budowy Szybów concluded an agreement with Jastrzębska Spółka Węglowa on shaft deepening and execution of two sided shaft inlet 1 BZIE in JSW SA KWK „Zofiówka“. Value of the order amounts to PLN 180,5 millions. The shaft is to be completed in mid 2013 and it will be the largest investment in the Polish mining industry for over 20 years.

Besides, there are a series of trade agreements, including:

- agreements signed with Kompania Weglowa SA for leasing longwall shearers, supply of powered roof supports, screens, crushers, power hydraulics, conveyors, skips, spare parts, as well as for rendering specialised mining and repairing services of total value amounting to about 251.378 thou. PLN,
- series of agreements signed with Katowicki Holding Węglowy, altogether amounting to ca PLN 93.600 thou. The aforementioned agreements mainly included mining services, lease of longwall shearer, supplies of power hydraulics elements, friction props, skips, coal preparation equipment and spare parts,
- agreements signed with Jastrzębska Spółka Węglowa SA by individual companies of Kopex Group of total value amounted to about 64.841 thou PLN. The agreements mainly included lease of longwall shearers and mining services.

All significant information for 2009 are available on the KOPEX SA website:
<http://www.kopex.com.pl/1495>

5.9 A LIST OF INFORMATION ON SIGNIFICANT TRANSACTIONS CONCLUDED BY THE ISSUER OR ITS SUBSIDIARY WITH RELATED PARTIES ON OTHER CONDITIONS THAN MARKET CONDITIONS, TOGETHER WITH THEIR VALUE AND INFORMATION DEFINING THE NATURE OF TRANSACTIONS

According to our knowledge, KOPEX SA or its subsidiaries or indirect subsidiaries did not sign in 2009 the transactions with related parties on conditions other than the market.

5.10 EXPLANATION OF DIFFERENCES BETWEEN THE FINANCIAL RESULTS DISCLOSED IN THE ANNUAL REPORT AND PREVIOUSLY PUBLISHED ESTIMATES OF THE RESULTS

KOPEX SA did not publish the estimates of the results for 2009.

5.11 STATEMENT ON THE NUMBER AND PAR VALUE OF KOPEX S.A. SHARES HELD BY THE MANAGERS AND THE SUPERVISORS OF KOPEX SA

DETERMINATION OF THE TOTAL NUMBER OF KOPEX SA SHARES HELD BY THE ISSUER'S MANAGERS AT 31.12.2009

Name	Office	Total number of KOPEX SA shares held	Total par value of KOPEX SA shares held (PLN)
Marian Kostempski	Chairman of the Management Board	200.000 ¹⁾	200.000 ¹⁾
Józef Wolski	Vice Chairman of the Board	holds no ¹⁾	holds no ¹⁾
Joanna Parzych	Vice Chairman of the Board	3.970 ¹⁾	3.970 ¹⁾
Tadeusz Soroka	Vice Chairman of the Board	holds no ¹⁾	holds no ¹⁾
Total holding	Managers	203.970¹⁾	203.970¹⁾

Comment:

¹⁾ holding of the Issuer's shares without change during the period of the last report, ie for the fourth quarter of 2009 on 1 March 2009

DETERMINATION OF THE TOTAL NUMBER OF KOPEX SA SHARES HELD BY THE ISSUER'S SUPERVISORS AT 31.12.2009

Name	Office	Total number of KOPEX SA shares held	Total par value of KOPEX SA shares held (PLN)
Marzena Misiuna	Chairman of the Supervisory Board	holds no ¹⁾	holds no ¹⁾
Adam Kalkusiński	Vice Chairman of the Supervisory Board	holds no ¹⁾	holds no ¹⁾
Iwona Bajda	Secretary of the Supervisory Board	630 ¹⁾	630 ¹⁾
Damian Jędrzejewski	Member of the Supervisory Board	holds no ¹⁾	holds no ¹⁾
Stanisław Bargieł	Member of the Supervisory Board	holds no ¹⁾	holds no ¹⁾
Total holding	Supervisors	630¹⁾	630¹⁾

¹⁾ holding of the Issuer's shares without change during the period of the last report, ie for the fourth quarter of 2009 on 1 March 2009

Above mentioned managers and supervisors of the Issuer does not hold shares of affiliated undertakings.

5.12 INFORMATIONS ON THE AGREEMENTS THAT MAY RESULT IN THE FUTURE CHANGES IN THE PROPORTIONS OF SHARES HELD BY PRESENT SHAREHOLDERS

KOPEX SA has no information on agreements which may result in the future changes in the proportions of shares held by present Shareholders.

5.13 INFORMATIONS ON AGREEMENTS BETWEEN KOPEX S.A. AND ENTITIES ENTITLED TO AUDITS OF FINANCIAL STATEMENTS

The entity entitled to audit the financial statement of KOPEX SA for 2008 is Europejskie Centrum Audytu Sp. z o.o., based in Kraków.

The list of agreements signed with the above mentioned entity and the value of remuneration for 2008 is presented in the table below:

AGREEMENT DATE	SUBJECT OF THE AGREEMENT	NET VALUE OF THE AGREEMENT (PLN)
15.04.2008	Review of semi-annual separate financial statement	9,600.00
15.04.2008	Review of semi-annual consolidated financial statement	4,800.00
15.04.2008	Audit of annual separate financial statement	16,000.00
15.04.2008	Audit of annual consolidated financial statement	8,000.00
TOGETHER		38,400.00

The entity entitled to audit the financial statement of KOPEX SA for 2009 is Europejskie Centrum Audytu Sp. z o.o., based in Kraków. Since 21 January 2010 the company has changed its name to ECA Serdyński i Partnerzy Sp. z o.o.

The list of agreements signed with the above mentioned entity and the value of remuneration for 2009 is presented in the table below:

AGREEMENT DATE	SUBJECT OF THE AGREEMENT	NET VALUE OF THE AGREEMENT (PLN)
12.02.2009	Other services	35,000.00
6.03.2009	Review of semi-annual separate financial statement	10,500.00
6.03.2009	Review of semi-annual consolidated financial statement	5,200.00
6.03.2009	Audit of annual separate financial statement	17,000.00
6.03.2009	Audit of annual consolidated financial statement	8,500.00
19.05.2009	Other services	7,000.00
TOGETHER		83,200.00

5.14 INDICATION OF THE PROCEEDINGS IN THE COURT, IN FRONT OF THE AUTHORITY RESPONSIBLE FOR ARBITRATION OR PUBLIC ADMINISTRATION AUTHORITY

On the day of the statement, the Issuer nor any company of the Issuer's Capital Group has no proceedings in the court, in front of the authority responsible for arbitration or a public authority.

5.15 CHANGES IN BASIC RULES OF THE MANAGEMENT OF THE ISSUER'S COMPANY AND ITS CAPITAL GROUP

Changes in the basic rules of the management of the Issuer's company and Capital Group are set out in paragraph 3 of this statement.

5.16 INFORMATIONS ON CONTROL SYSTEM FOR OCCUPATIONAL PROGRAMS

On the day of this Statement, the Company does not have incentive programs for employees, based on shares of the Company.

5.17 OTHER IMPORTANT EVENTS AFFECTING THE COMPANY IN 2009

In 2009 the Company was subject to control by the following authorities:

AUTHORITY NAME	DATE	SCOPE OF CONTROL
PIERWSZY ŚLĄSKI URZĄD SKARBOWY W SOSNOWCU / FIRST SILESIA TAX OFFICE IN SOSNOWIEC	from 15.05.2009 till 25.05.2009	Control of regularity of compliance with obligations under the tax law in as far as tax on goods and services in February 2009.

Control was completed by the protocol signed on 25.05.2009. Until publication of the report - no further proceedings in this case.

5.18 STATEMENT OF THE MANAGEMENT BOARD

The Management Board declares that the Statement on the KOPEX SA activities in 2009 contains a true picture of the development and achievements of the Issuer and the position of the Capital Group, including a description of major risks.