

(Translation from the Polish language)



**ABBREVIATED INTERIM  
CONSOLIDATED AND SEPARATE  
FINANCIAL STATEMENTS FOR THE PERIOD  
01 JANUARY 2013 TO 30 JUNE 2013**

**DRAWN UP IN COMPLIANCE WITH  
34 INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

KATOWICE, AUGUST 2013

## TABLE OF CONTENTS

	PAGE
I. CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF KOPEX S.A. CAPITAL GROUP	3
II. CONSOLIDATED INCOME STATEMENT OF KOPEX S.A. CAPITAL GROUP	4
III. TOTAL INCOME STATEMENT OF KOPEX S.A. CAPITAL GROUP	5
IV. CONSOLIDATED CHANGES IN EQUITY STATEMENT OF KOPEX S.A. CAPITAL GROUP	6
V. CONSOLIDATED STATEMENT OF CASH FLOW OF KOPEX S.A. CAPITAL GROUP	7
VI. STATEMENT OF FINANCIAL POSITION OF KOPEX S.A.	8
VII. SEPARATE INCOME STATEMENT OF KOPEX S.A.	9
VIII. TOTAL INCOME STATEMENT OF KOPEX S.A.	10
IX. CHANGES IN EQUITY STATEMENT OF KOPEX S.A.	11
X. STATEMENT OF CASH FLOW OF KOPEX S.A.	12
NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD 01 JANUARY 2013 TO 30 JUNE 2013, INCLUDING:	13
1. GENERAL INFORMATION .....	13
2. DESCRIPTION OF SIGNIFICANT ACCOUNTING POLICIES .....	14
3. CHANGES IN CONTINGENT LIABILITIES .....	19
4. INFORMATION FOR TRANSLATION OF SELECTED FINANCIAL FIGURES.....	20
5. INFORMATION ON CHANGE IN RESERVES FOR LIABILITIES .....	20
6. INFORMATION ON CHANGE IN WRITE -DOWNS ON ASSETS AFFECTING FINANCIAL RESULT.....	21
7. ACQUISITIONS AND DISPOSALS OF TANGIBLE FIXED ASSESTS .....	21
8. TRANSACTIONS WITH RELATED PARTIES AT THE CAPITAL GROUP.....	22
9. TRANSACTIONS WITH RELATED PARTIES AT THE ISSUER.....	23
10. OPERATING SEGMENTS	24
11. FAIR VALUE	25
12. SEASONAL INFORMATION	26
13. STATEMENT BY THE KOPEX S.A. BOARD	27

I. Consolidated Statement of Financial Position of KOPEX S.A. Capital Group drawn up as at 30 June 2013 in thousand zlotys

ASSETS	30 June 2013	31 December 2012 *transformed	31 December 2011 *transformed
<b>Fixed assets</b>	<b>2 353 734</b>	<b>2 333 931</b>	<b>2 337 559</b>
Inangible assets	128 061	91 471	99 714
Goodwill of the subordinated entities	1 251 887	1 246 888	1 254 713
Tangible fixed assets	747 508	764 662	749 853
Investment real estates	26 850	29 383	29 177
Investments accounted for by equity method	62 145	55 132	59 645
Long-term lease receivables	61 120	91 592	83 361
Other long-term financial assets	17 655	15 317	19 646
Deferred income tax assets	58 508	39 486	41 450
<b>Current assets</b>	<b>1 119 685</b>	<b>1 389 497</b>	<b>1 387 899</b>
Inventories	354 848	409 214	416 595
Short-term receivables from supplies and services	377 805	534 516	476 290
Short-term other receivables	98 433	103 710	118 357
Short term lease receivables	69 549	73 175	61 401
Short-term loans granted	35 513	74 141	58 013
Current income tax receivables	4 294	4 822	1 673
Derivative financial instruments	1 940	12 167	1 655
Financial assets at fair value through profit or loss	1 731	1 548	510
Construction contract assets	90 578	94 621	116 944
Cash and its equivalents	84 994	81 583	136 461
<b>Fixed assets available for sale</b>	<b>4 315</b>	<b>12 890</b>	<b>1</b>
<b>Total assets</b>	<b>3 477 734</b>	<b>3 736 318</b>	<b>3 725 459</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Equity</b>	<b>2 492 217</b>	<b>2 488 788</b>	<b>2 477 473</b>
Share capital	74 333	74 333	74 333
Own shares	-2 979	-2 979	-2 979
Issue of shares over nominal value	1 054 942	1 054 942	1 054 942
Revaluation reserve	-3 042	5 944	664
Exchange rate differences from translation	23 499	19 712	36 708
Retained profit	1 339 663	1 331 286	1 283 028
Non-controlling share capital	5 801	5 550	30 777
<b>Long-term liabilities</b>	<b>152 096</b>	<b>241 065</b>	<b>237 684</b>
Long-term credits and loans	68 490	148 063	129 997
Long-term other liabilities	5 040	6 486	12 120
Long-term lease liabilities	52 772	65 300	69 397
Deferred income tax reserve	5 457	1 054	3 708
Long-term reserve for post employment benefits	15 033	14 679	14 776
Other long-term reserves for liabilities	875	1 017	5 104
Accruals	4 429	4 466	2 582
<b>Short-term liabilities</b>	<b>833 421</b>	<b>1 006 465</b>	<b>1 010 302</b>
Short-term credits and loans	517 895	570 763	521 669
Supplies and services short-term liabilities	112 110	212 616	278 545
Short-term other liabilities	99 246	134 006	123 211
Short-term leasing liabilities	30 099	31 602	22 143
Current income tax liabilities	5 681	2 050	2 836
Derivative financial instruments	4 492	895	6 931
Short-term reserve for employment benefits	16 893	9 370	8 294
Other short-term reserves for liabilities	15 906	19 229	13 712
Short term accruals	31 099	25 934	32 961
<b>Total liabilities and equity</b>	<b>3 477 734</b>	<b>3 736 318</b>	<b>3 725 459</b>
<b>Book value</b>	<b>2 492 217</b>	<b>2 488 788</b>	<b>2 477 473</b>
<b>Number of shares</b>	<b>74 056 038</b>	<b>74 056 038</b>	<b>74 056 038</b>
<b>Book value per share(BVSP) in [PLN]</b>	<b>33.65</b>	<b>33.61</b>	<b>33.45</b>

\*transformed- detailed information about transforming comparative data is included in Note 2.2.- alterations to IAS 19 "Employee benefits"

II. Consolidated Income Statement of KOPEX S.A. Capital Group drawn up for the period 01 January 2013 to 30 June 2013 in thousand zlotys

	01 Jan. 2013 to 30 June 2013	01 Jan. 2012 to 30 June 2012
<b>Net income from sale of products, goods and materials, incl:</b>		*transformed
	<b>711 682</b>	<b>960 051</b>
Net income from sale of products	588 742	753 987
Net income from sale of goods and materials	122 940	206 064
<b>Costs of products, goods and materials sold, incl:</b>		
	<b>621 882</b>	<b>778 793</b>
Manufacture cost of products sold	503 567	581 055
Value of goods and materials sold	118 315	197 738
<b>Gross profit (loss) on sales</b>	<b>89 800</b>	<b>181 258</b>
Other income		
Selling costs	4 470	12 025
Overheads	15 449	20 999
Other costs	65 067	61 696
Other profits (loss)	7 466	57 618
	14 751	-10 490
<b>Operating profit</b>	<b>21 039</b>	<b>42 480</b>
<b>Financial revenues, incl:</b>		
Interest	10 775	11 815
Other	10 331	9 490
	444	2 325
<b>Finance costs, incl.</b>		
Interest	22 077	41 298
Other	19 840	24 889
	2 237	16 409
<b>Share in profit (loss) of the subordinated entities evaluated by the equity method</b>	<b>4 017</b>	<b>9 436</b>
<b>Gross profit</b>	<b>13 754</b>	<b>22 433</b>
<b>Income tax, incl:</b>		
current	877	12 401
deferred	13 985	17 185
	-13 108	-4 784
<b>Net consolidated profit</b>	<b>12.877</b>	<b>10 032</b>
<b>Profit attributable to minority shareholders</b>	<b>778</b>	<b>1 107</b>
<b>Profit attributable to parent company shareholders</b>	<b>12 099</b>	<b>8 925</b>
<b>Weighted average number of common shares</b>	<b>74 056 038</b>	<b>74 056 038</b>
<b>Net profit per common share [PLN]</b>	<b>0.16</b>	<b>0.12</b>

\*transformed- detailed information about transforming comparative data is included in Note 2.3.- Alteration in financial results presentation

III. Total Income Statement of KOPEX S.A. Capital Group drawn up for the period 01 January 2013 to 30 June 2013 in thousand zlotys

	01 January 2013 to 30 June 2013	01 January 2012 to 31 December 2012	01 January 2012 to 30 June 2012
<b>Consolidated net profit (loss)</b>	<b>12 877</b>	<b>55 432</b>	<b>10 032</b>
<b>Other total incomes which will not be transferred to the result:</b>	<b>87</b>	<b>-1 607</b>	<b>304</b>
Actuarial loss from defined benefit program	-	-1 971	-
Income tax from actuarial losses	-	369	-
Other incomes	87	-5	304
<b>All other total incomes that may be transferred to the result</b>	<b>-5 388</b>	<b>-11 686</b>	<b>-6 209</b>
Exchange rate differences	3 660	-17 035	-6 159
Cash flow hedging	-9 048	5 519	-49
Financial assets available for sale	-	-170	-1
<b>All other total incomes after taxation</b>	<b>-5 301</b>	<b>-13 293</b>	<b>-5 905</b>
<b>Total incomes:</b>	<b>7 576</b>	<b>42 139</b>	<b>4 127</b>
attributable to minority shareholders	593	4 958	1 537
attributable to KOPEX S.A. shareholders	6 983	37 181	2 590

IV. Consolidated Changes in Equity Statement of KOPEX S.A. Capital Group drawn up for the period 01 January 2013 to 30 June 2013 in thousand zlotys

Share capital	Own shares	Issue of shares above nominal value	Revaluation reserve		Exchange rate differences from translation	Retained earnings	Total	Equity attributable to minority shareholders	Total equity
			Hedging instruments	Financial assets available for sale					
74 333	-2 979	1 054 942	819	-1	-154	1 283 512	2 447 180	30 808	2 477 988
-	-	-	-	-	-	-484	-484	-31	-515
74 333	-2 979	1 054 942	819	-1	-154	1 282 028	2 446 696	30 777	2 477 473
-	-	-	-40	-1	7	9 229	2 590	1 537	4 127
-	-	-	-	-	-	-	-	-72	-72
-	-	-	-	-	-1	-104	-103	-22 670	-22 773
-	-	-	-	-	-1	-1	-1	-5	-6
74 333	-2 979	1 054 942	779	-2	-147	1 282 153	2 449 182	9 567	2 458 749

Balance as at 01 January 2012, in accordance with approved financial statements

Alteration in IAS19

Balance as at 01 January 2012, after transforming

Total income

Dividend

Acquisition/ increase or decrease of control

Loss of control

Balance as at 30 June 2012

Balance as at 01 January 2012, in accordance with approved financial statements

Alteration in IAS19

Balance as at 01 January 2012, after transforming

Total income

Dividend

Acquisition/ increase or decrease of control

Loss of control

Balance as at 31 December 2012

74 333	-2 979	1 054 942	819	-1	-154	1 283 512	2 447 180	30 808	2 477 988
-	-	-	-	-	-	-484	-484	-31	-515
74 333	-2 979	1 054 942	819	-1	-154	1 283 028	2 446 696	30 777	2 477 473
-	-	-	6 731	-175	-1 276	48 879	37 181	4 958	42 139
-	-	-	-	-	-	-	-	-595	-595
-	-	-	-	-	-18	-621	-639	-29 439	-30 078
-	-	-	-	-	-	-	-	-151	-151
74 333	-2 979	1 054 942	7 550	-176	-1 430	1 331 286	2 483 238	5 550	2 488 788

74 333	-2 979	1 054 942	7 550	-176	-1 430	1 333 876	2 485 828	5 636	2 491 464
-	-	-	-	-	-	-2 590	-2 590	-86	-2 676
74 333	-2 979	1 054 942	7 550	-176	-1 430	1 331 286	2 483 238	5 550	2 488 788
-	-	-	-11 092	-	2 106	12 186	6 983	593	7 576
-	-	-	-	-	-	-3 702	-3 702	-33	-3 735
-	-	-	-	-	4	-107	-103	-309	-412
74 333	-2 979	1 054 942	-3 542	-176	676	1 339 653	2 486 416	5 801	2 492 217

Balance as at 01 January 2013, in accordance with approved financial statements

Alteration in IAS19

Balance as at 01 January 2013, after transforming

Other incomes

Dividend

Acquisition/ increase or decrease of control

Balance as at 30 June 2013

V. Consolidated Statement of Cash Flow of KOPEX S.A. Capital Group drawn up for the period 01 January 2013 to 30 June 2013 in thousand zlotys

	01 Jan. 2013 to 30 June 2013	01 Jan. 2012 to 30 June 2012
<b>CASH FLOW FROM OPERATING ACTIVITY</b>		
Gross profit (loss)	13 754	22 433
<b>Corrections by:</b>		
Depreciation	72 240	58 790
Share in net (profit) loss of the subsidiaries evaluated by the equity method	-4 017	-9 436
(Profit) loss from exchange rates differences	-4 405	-7 224
Interest and share in profits (dividends)	9 509	18 215
(Profit) loss from investment activity	-6 956	5 379
Change in reserves	4 412	51 299
Change in inventories	54 366	-41 918
Change in receivables from supplies, services and other receivables	188 499	-25 163
Change in short-term liabilities from supplies, services and other receivables	-113 437	-36 993
Change in accruals	3 512	-15 503
Change in assets value from construction service agreements	4 043	27 607
Income tax paid	-9 827	-14 341
Write downs on asset value and intangible assets	1 501	-
Foreign currency transactions	2 731	-2 545
Other corrections	63	5 550
<b>Net cash flow from operating activity</b>	<b>215 988</b>	<b>36 150</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITY</b>		
Sale of intangible and tangible fixed assets	23 206	7 211
Sale of financial assets	2 906	248
Dividends and share in profits received	-	-
Repayment of loans	44 986	57 500
Interest received	2 510	327
Grants received	1 616	1 765
Acquisition of intangible and tangible fixed assets *)	-104 324	-71 774
Acquisition of financial assets	-	-477
Loans granted	-12 650	-79 060
<b>Net cash flow from investment activity</b>	<b>-41 750</b>	<b>-84 260</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITY</b>		
Credits and loans	18 647	228 655
Other financial receipts	-	29
Dividends and other payments for owners	-543	-
Repayments of credits and loans	-152 012	-133 421
Payments of liabilities from financial lease agreements	-15 671	-13 988
Interest paid	-18 356	-23 009
Transactions with non-controlling shares	-3 203	-15 508
Other financial expenses	-101	-59
<b>Net cash flow from financial activity</b>	<b>-171 239</b>	<b>42 699</b>
<b>TOTAL NET CASH FLOW</b>		
	<b>2 999</b>	<b>-5 411</b>
<b>Balance change in cash, incl:</b>	<b>3 411</b>	<b>-5 118</b>
-change in cash from differences in exchange rates	412	293
<b>Cash at the beginning of period</b>	<b>81 583</b>	<b>136 461</b>
<b>Cash at the end of period, incl:</b>	<b>84 994</b>	<b>131 343</b>
- restricted cash	10 063	5 665

\*) Item "Acquisition of intangible and tangible fixed assets" includes tangible assets manufactured for its own part

VI. Statement of Financial Position of KOPEX S.A. drawn up as at 30 June 2013 in thousand zlotys

ASSETS	30 June 2013	31 December 2012	31 December 2011
<b>Fixed assets</b>	<b>1 465 111</b>	<b>1 471 631</b>	<b>1 383 458</b>
Intangible assets	10 115	9 721	6 915
Tangible fixed assets	27 439	27 451	17 277
Investment real estates	6 341	7 599	7 834
Long-term lease receivables	46 480	57 698	5 235
Other long-term financial assets	1 367 715	1 364 356	1 340 178
Deferred income tax assets	7 021	4 806	6 019
<b>Current assets</b>	<b>384 233</b>	<b>494 970</b>	<b>422 135</b>
Inventories	13 655	5 119	1 462
Short-term receivables from supplies and services	104 209	194 748	154 572
Short-term other receivables	106 719	115 414	126 244
Short term lease receivables	26 726	26 805	3 704
Short-term loans granted	93 337	125 041	107 259
Current income tax receivables	2 067	1 659	1 355
Derivative financial instruments	1 346	8 819	1 531
Financial assets at fair value through profit or loss	1 731	1 548	510
Construction contract assets	1 196	825	451
Cash and its equivalents	33 247	14 992	25 047
<b>Total assets</b>	<b>1 849 344</b>	<b>1 966 601</b>	<b>1 805 593</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Equity</b>	<b>1 426 070</b>	<b>1 384 883</b>	<b>1 370 241</b>
Share capital	74 333	74 333	74 333
Own shares	-2 979	-2 979	-2 979
Issue of shares over nominal value	1 054 942	1 054 942	1 054 942
Revaluation reserve	-3 052	4 762	851
Retained profit	302 826	253 825	243 094
<b>Long-term liabilities</b>	<b>52 073</b>	<b>62 833</b>	<b>15 007</b>
Long-term credits and loans	44 811	56 014	11 184
Long-term other liabilities	5	6	12
Deferred income tax reserve	2 296	1 814	2 545
Long-term reserve for employee benefits	533	533	373
Accruals	4 428	4 466	893
<b>Short-term liabilities</b>	<b>371 201</b>	<b>518 885</b>	<b>420 345</b>
Short-term credits and loans	219 217	302 625	242 201
Supplies and services short-term liabilities	99 215	158 000	121 570
Short-term other liabilities	21 154	40 054	32 410
Derivative financial instruments	4 492	895	6 190
Short-term reserve for employee benefits	1 497	1 067	690
Other short-term reserves for liabilities	877	869	2 689
Short term accruals	24 749	15 375	14 595
<b>Total liabilities and equity</b>	<b>1 849 344</b>	<b>1 966 601</b>	<b>1 805 593</b>
<b>Book value</b>	<b>1 426 070</b>	<b>1 384 883</b>	<b>1 370 241</b>
<b>Number of shares</b>	<b>74 056 038</b>	<b>74 056 038</b>	<b>74 056 038</b>
<b>Book value per share (BVSP) in [PLN]</b>	<b>19.26</b>	<b>18.70</b>	<b>18.50</b>

\*transformed- detailed information about transforming comparative data is included in Note 2.2.- Alteration in IAS 19 " Employee benefits"



VII. Separate Income Statement of KOPEX S.A. drawn up for the period 01 January 2013 to 31 March 2013 in thousand zlotys

VII. Separate Income Statement of KOPEX S.A. drawn up for the period 01 January 2013 to 30 June 2013 in thousand zlotys

	01 January 2013 to 30 June 2013	01 January 2012 to 30 June 2012
<b>Net income from sale of products, goods and materials, incl:</b>	<b>291 488</b>	<b>396 739</b>
Net income from sale of products	161 971	108 134
Net income from sale of goods and materials	129 517	288 605
<b>Costs of products, goods and materials sold, incl:</b>	<b>280 908</b>	<b>378 745</b>
Manufacture cost of products	157 084	102 125
Value of goods and materials	123 824	276 620
<b>Gross profit (loss) on sales</b>	<b>10 580</b>	<b>17 994</b>
<b>Other income</b>	<b>56 612</b>	<b>36 769</b>
<b>Selling costs</b>	<b>2 869</b>	<b>6 798</b>
<b>Overheads</b>	<b>14 076</b>	<b>10 546</b>
<b>Other costs</b>	<b>1 656</b>	<b>43 003</b>
<b>Other profits (loss)</b>	<b>4 538</b>	<b>-732</b>
<b>Operating profit (loss)</b>	<b>53 129</b>	<b>-6 316</b>
<b>Financial revenues, incl:</b>	<b>10 943</b>	<b>5 789</b>
Interest	7 273	5 715
Exchange rate differences	1 663	-
Other	2 007	74
<b>Finance costs, incl.</b>	<b>10 532</b>	<b>24 542</b>
Interest	7 604	8 801
Exchange rate differences	-	1 592
Other	2 928	14 149
<b>Gross profit (loss)</b>	<b>53 540</b>	<b>-25 069</b>
<b>Income tax, incl:</b>	<b>837</b>	<b>1 556</b>
current	790	1 541
deferred	47	15
<b>Net profit (loss)</b>	<b>52 703</b>	<b>-26 625</b>
<b>Weighted average number of common shares</b>	<b>74 056 038</b>	<b>74 056 038</b>
<b>Profit (loss) per one common share [PLN]</b>	<b>0.71</b>	<b>-0.36</b>

VIII. Total Income Statement of KOPEX S.A. drawn up for the period 01 January 2013 to 30 June 2013 in thousand zlotys

	01 January 2013 to 30 June 2013	01 January 2012 to 31 December 2012	01 January 2012 to 30 June 2012
<b>Net profit (loss)</b>	52 703	10 791	-26 625
<b>Other total income not to be transferred to the result:</b>			
Actuarial losses from defined benefit plans	-	-60	-
Actuarial losses income tax	-	-74	-
	-	14	-
<b>Other total income to be transferred to the result:</b>			
Hedging cash flow	-7 814	3 911	104
	-7 814	3 911	104
<b>Total other incomes after taxation</b>	<b>-7 814</b>	<b>3 851</b>	<b>104</b>
<b>Total incomes:</b>	<b>44 889</b>	<b>14 642</b>	<b>-26 521</b>

IX. Changes in Equity Statement of KOPEX S.A. drawn up for the period 01 January 2013 to 30 June 2013 in thousand zlotys

	Share capital	Own shares	Share issue over nominal value	Revaluation reserve		Retained earnings	Total equity
				Hedging instruments	Deferred Income tax		
Balance as at 01 January 2012, in accordance with approved financial statements	74 333	-2 979	1 054 942	1 050	-199	243 032	1 370 179
Alteration in IAS19	-	-	-	-	-	62	62
Balance as at 01 January 2012, after transforming	74 333	-2 979	1 054 942	1 050	-199	243 094	1 370 241
Total incomes	-	-	-	128	-24	-26 625	-26 521
Balance as at 30 June 2012	74 333	-2 979	1 054 942	1 178	-223	216 469	1 343 720

Balance as at 01 January 2012, in accordance with approved financial statements	74 333	-2 979	1 054 942	1 050	-199	243 032	1 370 179
Alteration in IAS19	-	-	-	-	-	62	62
Balance as at 01 January 2012, after transforming	74 333	-2 979	1 054 942	1 050	-199	243 094	1 370 241
Total incomes				4 829	-918	10 731	14 642
Balance as at 31 December 2012	74 333	-2 979	1 054 942	5 879	-1 117	253 825	1 384 883

Balance as at 01 January 2013, in accordance with approved financial statements	74 333	-2 979	1 054 942	5 879	-1 117	253 825	1 384 883
Alteration in IAS19	-	-	-	-	-	-	-
Balance as at 01 January 2013, after transforming	74 333	-2 979	1 054 942	5 879	-1 117	253 825	1 384 883
Total incomes	-	-	-	-9 647	1 833	52 703	44 889
Dividends	-	-	-	-	-	-3 702	-3 702
Balance as at 30 June 2013	74 333	-2 979	1 054 942	-3 768	716	302 826	1 426 070

X. Statement of Cash Flow of KOPEX S.A. drawn up for the period 1 January 2013 to 30 June 2013 in thousand zlotys

	01 January 2013 to 30 June 2013	01 January 2012 to 30 June 2012
<b>CASH FLOW FROM OPERATING ACTIVITY</b>		
Gross profit (loss)	53 540	-25 069
<b>Corrections by:</b>		
Depreciation	1 765	1 359
(Profit) loss from exchange rates differences	-3 289	1 586
Interest and share in profits (dividends)	3 308	-29 990
(Profit) loss from investment activity	157	-98
Change in reserves	438	52 165
Change in inventories	-8 536	-11 027
Change in receivables from supplies, services and other receivables	73 332	-57 409
Change in short-term liabilities from supplies, services and other receivables	-79 274	-983
Change in accruals	8 728	-3 222
Change In assets from construction contracts	-371	451
Income tax paid	-1 199	-1 074
Derivative financial instruments	1 424	-900
Write downs on value of shares in subordinated entities	913	-
<b>Net cash flow from operating activity</b>	<b>50 936</b>	<b>-74 211</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITY</b>		
Sale of intangible and tangible fixed assets	94	162
Sale of financial assets	357	248
Dividends and share in profits received	36 937	54 622
Interest received	2 529	1 461
Repayment of loans	45 666	63 053
Grants received	609	-
Acquisition of intangible and tangible fixed assets	-4 264	-3 204
Acquisition of financial assets	-412	-25 574
Loans granted	-12 293	-82 347
<b>Net cash flow from investment activity</b>	<b>69 223</b>	<b>8 421</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITY</b>		
Credits and loans	17 500	178 559
Repayments of credits and loans	-112 277	-94 643
Interest paid	-7 730	-6 132
<b>Net cash flow from financial activity</b>	<b>-102 507</b>	<b>77 784</b>
<b>TOTAL NET CASH FLOW</b>	<b>17 652</b>	<b>11 994</b>
<b>Balance change in cash, incl:</b>	<b>18 255</b>	<b>12 202</b>
-change in cash from differences in exchange rates	603	208
<b>Cash at the beginning of period</b>	<b>14 992</b>	<b>25 047</b>
<b>Cash at the end of period, incl:</b>	<b>33 247</b>	<b>37 249</b>
- restricted cash	6 667	-

## 1. GENERAL INFORMATION

Kopex S.A. (*the Company, the Issuer*) based in Katowice is a stock exchange company that on 3 January 1994 was registered in the District Court in Katowice, the Eighth Commercial Division under the number RHB 10375. On 11 July 2001, KOPEX S.A. entered in the Register of Entrepreneurs of the National Court Register kept by the District Court Katowice-Wschód in Katowice, the Eighth Commercial Division under KRS number 0000026782, based on the decision of the District Court in Katowice.

The duration of the Company is unlimited. The company's headquarters is in Katowice at 1 Grabowa str.

Kopex S.A. is the parent company and draw up consolidated financial statements of the Kopex S.A. Capital Group (*Group*).

Entities included in the Consolidated Financial Statement as at 30 June 2013:

<i>Entity</i>	<i>Consolidation method</i>
KOPEX S.A.	Full consolidation method
KOPEX MACHINERY S.A.	Full consolidation method
TAGOR S.A.	Full consolidation method
DOZUT-TAGOR Sp. z o.o.	Full consolidation method
GRUPA ZARZĄDZAJĄCA HBS Sp. z o.o.	Full consolidation method
KOPEX GmbH (Germany)	Full consolidation method
KOPEX-FAMAGO Sp. z o.o.	Full consolidation method
KOPEX CONSTRUCTION Sp. z o.o.	Full consolidation method
HSW ODLEWNIA Sp. z o.o.	Full consolidation method
KOPEX – PRZEDSIĘBIORSTWO BUDOWY SZYBÓW S.A.	Full consolidation method
PBSz INWESTYCJE Sp. z o.o.	Full consolidation method
HANSEN SICHERHEITSTECHNIK AG (Germany)	Full consolidation method
HANSEN & REINDERS CS spol.s.r.o. (Czech Republic)	Full consolidation method
KOPEX AFRICA (Pty) Ltd (South Africa)	Full consolidation method
HANSEN CHINA Ltd (China)	Full consolidation method
EL-GÓR S.A.	Full consolidation method
KOPEX MIN (Serbia)	Full consolidation method
KOPEX MIN-LIV (Serbia)	Full consolidation method
KOPEX MIN-USŁUGI (Serbia)	Full consolidation method
ZZM – MASZYNY GÓRNICZE Sp. z o.o.	Full consolidation method
KOPEX-EKO Sp. z o.o.	Full consolidation method
POLAND INVESTMENTS 7 Sp. z o.o.	Full consolidation method
KOPEX AUSTRALIA Pty Ltd (Australia)	Full consolidation method
PT KOPEX MINING CONTRACTORS (Indonesia)	Full consolidation method
KOPEX SIBIR SP. Z O.O. (Rosja)	Full consolidation method
KOPEX WARATAH PTY LTD (Australia)	Full consolidation method
ŚLĄSKIE TOWARZYSTWO WIERTNICZE DALBIS Sp. z o.o.	Full consolidation method
KOPEX-EX-COAL Sp. z o.o.	Full consolidation method
OOO SIB HANSEN (Russia)	Equity consolidation method
HANSEN ELECTRIC spol.s.r.o. (Czech Republic)	Equity consolidation method
SHANDONG TAGAO MINING EQUIPMENT MANUFACTURING CO. Ltd (Chiny)	Equity consolidation method
WS BAILDONIT Sp. z o.o.	Equity consolidation method
TIEFENBACH Sp. z o.o.	Equity consolidation method
ODLEWNIA STALIWA ŁABĘDY Sp. z o.o.	Equity consolidation method
ANHUI LONG PO ELECTRICAL CORPORATION Ltd (Chiny)	Equity consolidation method

The core business of the Group and the Issuer covers manufacture and sale of mining and industrial machinery and equipment, rendering mining services, and the purchase and sale of electricity and coal are the core activities.

These abbreviated interim consolidated and separate financial statements have been drawn up on a continuing activities basis.

There are no circumstances indicating a threat to their continuation. Polish zloty [PLN] is the currency of this document and financial figures are presented in thousand Polish zlotys, unless otherwise stated.

These abbreviated interim consolidated and separate financial statements were authorised for issue by the Board on 28 August 2013.

## 2. DESCRIPTION OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1. PRINCIPLE OF DRAWING UP FINANCIAL STATEMENTS

Since 01 January 2005 the KOPEX S.A. Capital Group has applied International Financial Reporting Standards (IAS / IFRS), on the basis of Article 55 Par. 6a of the Accounting Act of 29 September 1994 (*Dz.U. z 2009. Nr. 152, poz. 1223, z późn.zm.*).

These financial statements are abbreviated financial statements drawn up for interim period. These abbreviated interim consolidated and separate financial statements is in compliance with IAS/IFRS and with IAS34 Interim financial reporting.

These abbreviated interim consolidated and separate financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with consolidated and separate financial statements of the Issuer and the Group drawn up in accordance with IAS / IFRS for fiscal year ended on 31 December 2012.

These abbreviated consolidated and separate financial statements have been drawn up under the original cost rule, except for derivative financial instruments and financial instruments available for sale are valued at fair value.

These abbreviated consolidated and separate financial statements have not been audited by a chartered accountant.

### 2.2. ADOPTED ACCOUNTING PRINCIPLES

The same accounting principles (policies) and methods of computation have been followed in these interim condensed consolidated and separate financial statements as in the most recent annual financial statements.

The following new and amended standards and interpretations that came into force on 1 January 2013 have been applied in these abbreviated and interim condensed consolidated and separate financial statements for the first time:

#### **IFRIC 20 " Costs of Removing Overburden in Open Cast Mines in the Production Phase "**

In October 2011 there was issued Interpretation of IFRIC 20 by the International Accounting Standards Board and it has been effective for annual periods since 1 January 2013 or after that date.

The interpretation clarifies that costs of removing overburden are recognised as expenses of current production, in accordance with IAS 2 " Inventories ", if the benefits resulting from removing overburden are in the form of production stocks. If removing overburden leads to benefits in terms of better access to mineral resources, the entity shall recognize those costs as " removing overburden assets" under fixed assets, provided that the conditions set out in the interpretation are fulfilled.

IFRIC 20 interpretation was approved by the European Union on 11 December 2012.

The interpretation had no impact on these abbreviated interim consolidated and separate financial statements .

#### **Revised IFRS 7 - " Offsetting financial Assets and Financial Liabilities "**

Amendments to IFRS 7 on disclosure information - offsetting financial assets and liabilities -were issued by the International Accounting Standards Board (IASB) in December 2011 and they have been effective for annual periods beginning on 1 January 2013 or after that date.

The amendments implement new disclosure obligations that enable users of financial statements to evaluate the effects or potential effects of agreements allowing net settlement, including rights to set-off .

Amendments to IFRS 7 were approved by the European Union on 13 December 2012.

Adoption of revised IFRS 7 had no impact on these abbreviated interim consolidated and separate financial statements .

#### **IFRS 13 " Fair Value Measurement "**

In May 2011 there was issued IFRS 13 by the International Accounting Standards Board (IASB) and it has been effective for annual periods beginning on 1 January 2013 or after that date.

The new standard is intended to improve consistency and reduce complexity by providing a precise definition of fair value and a single standard requirements for fair value measurement and disclosure of relevant information.

IFRS 13 was approved by the European Union on 11 December 2012.

Application of IFRS 13 had no impact on these abbreviated interim consolidated and separate financial statements .

### **Implementation of Assets Values- Amendments to IAS 12**

Amendments to IAS 12 "Income Tax" for the implementation of the value of assets was issued by the International Accounting Standards Board in May 2011 and is in force for annual periods beginning on 1 January 2013 or after that date.

Changes affect the valuation of reserves and assets for deferred tax on investment property valued at fair value in accordance with IAS 40 "Investment Real Estates", and introduce a rebuttable presumption that the value of an investment property will be recovered entirely through sale.

This presumption can be rebutted if the investment property is held within a business model whose objective is to consume substantially all the economic benefits embodied in the investment property over time, rather than through sale. SIC 21 "Income Taxes - implementation of revalued assets" that are not subject to depreciation relating to similar issues involving non-depreciable assets, which are valued in accordance with the revaluation model in IAS 16 "Property, Plant and Equipment" was incorporated into IAS 12 after excluding guidance on investment property valued at fair value.

The revised IAS 12 was approved by the European Union on 11 December 2012.

Amendments to IAS 12 have not had any impact on these abbreviated interim consolidated and separate financial statements.

The Group has selected the cost model for both the tangible fixed assets, as well as for investment properties.

### **Severe Hyperinflation and Removal of Fixed Dates for entities adopting IFRS for the first time - Amendments to IFRS 1**

Amendments to IFRS 1 "First-time Adopters" regarding severe hyperinflation and fixed dates for the withdrawal of entities adopting IFRS for the first time issued by the International Accounting Standards Board in December 2010 and in force for annual periods beginning on 1 July 2011 or after that date.

The amendment regarding severe hyperinflation creates an additional exemption when an entity that was subject to severe hyperinflation resumes for the first time or intends to draw up its financial statements in accordance with IFRS. The exemption allows an entity to select valuation of assets and liabilities at fair value and use that fair value as the deemed cost of those assets and liabilities in the opening balance in the first statement of financial position according to IFRS.

The IASB has also amended IFRS 1 to eliminate references to fixed dates for one exception and one exemption in respect of assets and liabilities.

The first amendment requires the entities adopting IFRS for the first time to prospective application of the requirements for derecognition in accordance with IFRS from the date of transition to IFRS, rather than the date of 1 January 2004. The second amendment relates to financial assets or liabilities at fair value upon initial recognition as fair value is determined using valuation techniques due to the lack of an active market, and allows the application of the guidance prospectively from the date of transition to IFRS, rather than from 25 October 2002 or from 1 January 2004. It means that entities applying IFRS for the first time are not required to determine the fair value of financial assets and liabilities before the date of transition to IFRS.

IFRS 9 has also been adjusted to these changes.

Amendments to IFRS 1 were approved by the European Union on 11 December 2012.

Amendments to IFRS 1 has not had any impact on these abbreviated interim consolidated and separate financial statements.

### **Presentation of Items of Other Total Incomes - amendments to IAS 1**

Amendments to IAS 1 "Presentation of Financial Statements" for the presentation of items of other total incomes were published by the International Accounting Standards Board in June 2011 and is in force for annual periods beginning on 1 July 2012 or after that date.

The amendments require entities to classify items presented in other total incomes into two groups based on whether in the future they will be able to be included in the income statement. In addition, there has been changed the title of the statement of total incomes to "statement of profit or loss and other total incomes".

Amendments to IAS 1 were approved by the European Union on 5 June 2012.

Application of the revised IAS 1 had an impact on the presentation of the statement of total incomes in these interim abbreviated consolidated and separate financial statements.

### **Amendments to IAS 19 "Employee Benefits"**

Amendments to IAS 19 "Employee Benefits" was issued by the International Accounting Standards in June 2011 and is in force for annual periods beginning on 1 January 2013 or after that date.

The amendments implement new requirements for the recognition and measurement of defined benefit plans and termination benefits of employment, as well as the disclosures for all employee benefits.

Amendments to IAS 19 were adopted by the European Union on 5 June 2012.

The Company have applied the amendments to IAS 19 in a retrospective manner.

In connection with the change of IAS 19, in force since 1 January 2013, the effects of the revised IAS 19 have been recognized retrospectively.

The following items were changed in the consolidated statement of financial position as at 31 December 2011:

Retained earnings: - PLN 484 thou

Deferred income tax assets: + PLN 121 thou

Long-term reserve for employee benefits: +PLN 468 thou  
Short-term reserve for employee benefits: +PLN 168 thou  
Non-controlling share capital: -PLN 31 thou.

The following items were changed in the separate statement of financial position as at 31 December 2011:

Retained earnings: +PLN 62 thou  
Deferred income tax assets: +PLN 15 thou  
Long-term reserve for employee benefits: - PLN 77 thou

The following items were changed in the consolidated statement of financial position as at 31 December 2012:

Retained earnings: - PLN 2,590 thou  
Deferred income tax assets: +PLN 622 thou  
Long-term reserve for employee benefits: +PLN 2,852 thou  
Short-term reserve for employee benefits: +PLN 446 thou  
Non-controlling share capital: -PLN 86 thou.

### **Government loans - Amendments to IFRS 1**

Amendments to IFRS 1 "IFRS First time implementation" on government loans were issued by the International Accounting Standards Board (IASB) in March 2012 and are effective for annual periods beginning on 1 July 2013 or after that date.

Changes relating to loans received by the government on favourable terms (interest rate below the market price), allow to draw up the report under IFRS, for the first time exemption from full retrospective accounting treatment of these transactions. Therefore the amendments implement the same exemptions for the entity drawing up a report under IFRS as for other entities.

Amendments to IFRS 1 were approved by the European Union on 4 March 2013.

Amendments to IFRS 1 - government loans had no effect on these abbreviated interim consolidated and separate financial statements.

### **Improvements to IFRSs 2009-2011**

In May 2012 International Accounting Standards Board (IASB) published, "Improvements to IFRSs 2009-2011", which change five standards.

The amendments include presentation, recognition and measurement as well as terminology and editorial changes. The amendments are effective for annual periods beginning on or after 1 January 2013.

The amendments were approved by the European Union on 27 March 2013.

These amendments had no impact on these condensed interim consolidated and separate financial statements.

In 2013, after the issue of the annual financial statements, i.e. after 30 April 2013 there were published the following new standards and interpretations. The Company did not decide to use them prior to the date of entering into force:

### **Investment Entities - Amendments to IFRS 10, IFRS 12 and IAS 27**

Amendments to IFRS 10, IFRS 12 and IAS 27 "Investment Entities" are effective for annual periods beginning on 1 January 2014 or after that date.

The amendments implement a definition of an investment entity into IFRS 10.

Investment entities will be required to present their subsidiaries at fair value through profit or loss and to consolidate only those subsidiaries that render services related to investment activities for investment entities. IFRS 12 has also been changed, introducing new disclosures on investment entities.

The Group will apply these amendments from 1 January 2014.

The Company is not currently able to estimate the impact of these changes on the consolidated and separate financial statements.

As at the date of drawing up these interim abbreviated consolidated and separate financial statements, amendments to IFRS 10, IFRS 12 and IAS 27 were not approved by the European Union.



### **IFRIC 21 Taxes and Fees**

In May 2013 there was issued IFRIC Interpretation 21 by the International Accounting Standards Board and it is effective for annual periods beginning on or after 1 January 2014.

The interpretation clarifies the accounting recognition of obligations to pay fees and taxes that are not income taxes .

An event defined in the legislation giving effect to pay taxes or fees is an obligating event. The fact itself that the entity will continue to operate in the next period, and will draw up a report in accordance with principle of continuing operation, does not create the need to understand the commitment.

The same principles apply to liability recognition of annual and interim reports . Application of the interpretation of the obligations arising from emission rights is optional.

The Group will apply IFRIC 21 from 1 January 2014

The Company is not currently able to estimate the impact of IFRIC 21 on the consolidated and separate financial statements .

At the date of drawing up these interim abbreviated consolidated and separate financial statements , IFRIC 21 was not approved by the European Union .

### **Disclosure of the recoverable value of non-financial assets - Amendments to IAS 36**

Amendments to IAS 36 "Impairment of non-financial assets" on recoverable value disclosures were published by the International Accounting Standards Board (IASB) in May 2013 and effective for annual periods beginning on or after 1 January 2014.

The amendments remove the requirement to disclose the recoverable value if cash-generating entity includes goodwill or intangible assets with indefinite useful lives and there was no impairment.

The Group will apply the revised IAS 36 from 1 January 2014

The Company is not currently able to estimate the impact of changes to IAS 36 on Consolidated and Separate Financial Statements .

At the date of drawing up these interim abbreviated interim consolidated and separate financial statements, amendments to IAS 36 were not approved by the European Union .

### **Renewal of derivatives and hedge accounting continued - Amendments to IAS 39**

Amendments to IAS 39 "Financial Instruments" hedge accounting were published by the International Accounting Standards Board in June 2013 , and are effective for annual periods beginning on or after 1 January 2014.

The amendments allow for continued hedge accounting when the derivative that has been designated as a hedging instrument, is restored (i.e., the parties agreed to replace the original counterparty by a new one) as a result of the settlement instrument with a central clearing house as a consequence of the law are fulfilled strict conditions.

The Group will apply the revised IAS 39 from 1 January 2014.

changes to IAS 36 on Consolidated and Separate Financial Statements .

The Company is not currently able to estimate the impact of adopting the amendments to IAS 39 on its consolidated and separate financial statements .

At the date of drawing up these interim abbreviated interim consolidated and separate financial statements, amendments to IAS 39 were not approved by the European Union .

## **2.3 PRESENTATION CHANGES**

There were implemented presentation changes in the abbreviated interim consolidated and separate financial statements aimed at increasing the transparency of the report that resulted in the changes of comparable data.

The table below shows presentation changes of comparable data in the consolidated income statement.

Consolidated Income Statement of KOPEX S.A. Capital Group drawn up for the period 1 January 2012 to 30 June 2012 in thousand zlotys

	01 January 2012 to 30 June 2012 <i>*transformed</i>	Change of presentation	01 January 2012 to 30 June 2012 prior to transformation
<b>Net income from sale of products, goods and materials, incl:</b>	<b>960 051</b>	-	<b>960 051</b>
Net income from sale of products	753 987	-	753 987
Net income from sale of goods and materials	206 064	-	206 064
<b>Costs of products, goods and materials sold, incl:</b>	<b>778 793</b>	<b>18 778</b>	<b>760 015</b>
Manufacture cost of products sold	581 055	18 778	562 277
Value of goods and materials sold	197 738	-	197 738
<b>Gross profit (loss) on sales</b>	<b>181 258</b>	<b>-18 778</b>	<b>200 036</b>
<b>Other income</b>	<b>12 025</b>	-	<b>12 025</b>
<b>Selling costs</b>	<b>20 999</b>	<b>3 585</b>	<b>17 414</b>
<b>Overheads</b>	<b>61 696</b>	<b>-22 363</b>	<b>84 059</b>
<b>Other costs</b>	<b>57 618</b>	-	<b>57 618</b>
<b>Other profits (loss)</b>	<b>-10 490</b>	-	<b>-10 490</b>
<b>Operating profit (loss)</b>	<b>42 480</b>	-	<b>42 480</b>
<b>Financial revenues, incl:</b>	<b>11 815</b>	-	<b>11 815</b>
Interest	9 490	-	9 490
Exchange rate differences	-	-	-
Other	2 325	-	2 325
<b>Finance costs, incl:</b>	<b>41 298</b>	-	<b>41 298</b>
Interest	24 889	-	24 889
Other	16 409	-	16 409
<b>Share in net profit (loss) of the subordinated entities evaluated by the equity method</b>	<b>9 436</b>	-	<b>9 436</b>
<b>Gross profit (loss)</b>	<b>22 433</b>	-	<b>22 433</b>
<b>Income tax, incl:</b>	<b>12 401</b>		<b>12 401</b>
current	17 185		17 185
deferred	-4 784		-4 784
<b>Net consolidated profit (loss)</b>	<b>10 032</b>	-	<b>10 032</b>
<b>Net profit (loss) attributable to minority shareholders</b>	<b>1 107</b>	-	<b>1 107</b>
<b>Net profit (loss) attributable to parent company shareholders</b>	<b>8 925</b>	-	<b>8 925</b>
<b>Weighted number of common shares</b>	<b>74 056 038</b>		<b>74 056 038</b>
<b>Net profit per common share [PLN]</b>	<b>0.12</b>		<b>0.12</b>

## 2.4 CHANGES IN ESTIMATES

Drawing up abbreviated interim financial statements in accordance with MSR34 requires the use of significant accounting estimates and judgments as to the accounting policies applied by the Company and the Group. During the three months ended on 31 March 2013, there were no significant changes in estimates and estimation methodology in relation to the financial figures presented in the annual financial statement for 2012 that would have an impact on the current period.

## 3. CHANGE IN CONTINGENT LIABILITIES

### at the Capital Group

	<u>As at 30 June 2013</u>	<i>increases (+) decreases (-)</i>	<u>As at 31 Dec. 2012</u>
<b>Total contingent liabilities, incl:</b>	<b>96 178</b>	<b>10 150</b>	<b>86 028</b>
1. From related parties			-
2. From other entities	96 178	10 150	86 028
- warranties and suretyships granted	88 706	9 800	78 906
- notes drawn	7 472	350	7 122

### at the Issuer

	<u>As at 30 June 2013</u>	<i>increases (+) decreases (-)</i>	<u>As at 31 Dec. 2012</u>
<b>Total contingent liabilities, incl:</b>	<b>615 273</b>	<b>36 973</b>	<b>578 300</b>
1. From related parties			-
2. From other entities *	615 273	36 973	578 300
- warranties and suretyships granted	608 888	36 973	571 915
- notes drawn	6 385		6 385

\* Contingent liabilities of KOPEX S.A. from other entities amount to PLN 522,950 thou, including sureties, guarantees obtained from related parties, in exchange for standing surety for those entities by KOPEX S.A.

Financial liabilities of the Capital Group compared to the balance as at 31 December 2012, increased by PLN 89 419 thousand (increase in the value of mortgages by PLN 99 419 thousand and a decrease in the value of inventories by PLN 10 000 thousand ).

### Claims and disputes

On 8 and 11 January 2010 there were delivered the following copies of lawsuits by the Regional Court in Katowice to KOPEX S.A.:

a) a lawsuit filed by FAZOS S.A. on the payment against the companies KOPEX S.A. and TAGOR S.A. (sub- subsidiary). The value of the claim in the lawsuit was estimated at PLN 51 876 thou.

b) a lawsuit filed by FAZOS S.A. on the payment against the companies KOPEX S.A. and TAGOR S.A. (sub- subsidiary). The value of the claim in the lawsuit was estimated at PLN 22 207 thou. On 29 March 2013 Katowice Regional Court delivered a judgement dismissing the claim entirely. The judgment is not final. Plaintiff company is entitled to make an appeal against the judgement to the Court of Appeal in Katowice.

c) a lawsuit filed by FAMUR S.A. against KOPEX S.A. on the payment of EUR 41 532 thou. On 26 April 2012 the District Court in Katowice considered the case brought by the company FAMUR S.A. in Katowice against the Issuer for payment of liquidated damages and ordered KOPEX S.A. to pay the amount of PLN 40,262 thou, together with statutory interest and costs of the process. The rest of the suit was dismissed. KOPEX S.A. Board exercised its right to appeal against the judgment, but the Court of Appeal in Katowice on 8 November 2012 dismissed the appeal of the Issuer and upheld the judgment of 26 April 2012 delivered by the District Court in Katowice.

On 09 November 2012 the Issuer executed the final judgment of the Court of Appeal and settled for FAMUR S.A. the amount of PLN 56 048 thou, including the principal, interest and reimbursement of costs. On 01 March 2013, the Court of Appeal in Katowice KOPEX S.A. filed a cassation complaint against the judgment of the Court of 8 November 2012.

According to the position of the law firm representing KOPEX S.A. and TAGOR S.A., the likelihood that the court accepts FAZOS S.A.'s claims and payment of the amounts described in item a) is less than the probability of dismissal due to lack of contractual basis for their formulation and the lack of adequate causation. Therefore, KOPEX S.A. under the provisions of IAS 37, recognized that there has not a present obligation arising from past events and has not created reserves.

#### 4. INFORMATION FOR TRANSLATION OF SELECTED FINANCIAL FIGURES

- Items of assets and liabilities were translated into EUR at the average NBP bank exchange rate, as at the balance sheet date:
  - as at 30.06.2013 - 4.3292
  - as at 31.12.2012 - 4.0882
- Items of income statement and cash flow were calculated by the arithmetic average EUR exchange rates applicable at the end of each month in the reporting period:
  - In the first half of 2013 - 4.2140
  - In the first half of 2012 - 4.2246
- Maximum exchange rates in the following periods:
  - In the first half of 2013 - 4.3292
  - In the first half of 2012 - 4.3889
- Minimum exchange rates in the following periods:
  - In the first half of 2013 - 4.1429
  - In the first half of 2012 - 4.1365

#### 5. INFORMATION ON CHANGE IN RESERVES FOR LIABILITIES

at the Capital Group

	01.01.2013 to 30.06.2013	01.01.2012 to 30.06.2012
<b>Change in reserves for liabilities</b>	<b>4 412</b>	<b>51 299</b>
a) increases, incl:	9 692	61 131
- employee benefits	7 649	4 172
- reserve for liabilities	2 043	56 959
b) decreases, incl:	5 609	9 466
- employee benefits	1 243	2 244
- reserve for liabilities	4 366	7 222
c) exchange rate differences	329	-366

Changes in reserves for liabilities relate primarily to provisions for warranty repairs.

Increase in reserves for employee benefits mainly due to establishing reserves for employee bonuses.

at the Issuer

	01.01.2013 to 30.06.2013	01.01.2012 to 30.06.2012
<b>Change in reserves for liabilities</b>	<b>438</b>	<b>52 165</b>
a) increases, incl:	802	54 717
- employee benefits	786	672
- reserve for liabilities	16	54 045
b) decreases, incl:	364	2 552
- employee benefits	356	-
- reserve for liabilities	8	2 552

6. INFORMATION ON CHANGE IN WRITE DOWNS ON ASSETS AFFECTING FINANCIAL RESULT

at the Capital Group

	01.01.2013 to 30.06.2013	01.01.2012 to 30.06.2012
<b>1) increases, incl.:</b>	<b>6 188</b>	<b>3 587</b>
- Receivables	2 823	796
- Tangible and intangible assets	3 184	828
- Inventories	181	2 233
<b>2) decreases, incl.:</b>	<b>2 514</b>	<b>8 594</b>
- Receivables	1 126	8 335
- Tangible and intangible assets	605	-
- Inventories	783	259
<b>3) exchange rate differences</b>	<b>688</b>	<b>-626</b>

Increases in write-downs of fixed assets relate to individual assets elements that have been deemed unnecessary.

at the Issuer

	01.01.2013 to 30.06.2013	01.01.2012 to 30.06.2012
<b>1) increases, incl.:</b>	<b>1 146</b>	<b>-</b>
- Tangible and intangible assets	1 137	-
- Receivables	9	-
<b>2) decreases, incl.:</b>	<b>380</b>	<b>7 470</b>
- Receivables	156	7 470
- Other long term assets	224	-
<b>3) exchange rate differences</b>	<b>-20</b>	<b>-</b>

7. ACQUISITIONS AND DISPOSALS OF TANGIBLE FIXED ASSETS

at the Capital Group

	01.01.2013 to 30.06.2013	01.01.2012 to 30.06.2012
<b>Acquisitions<sup>1)</sup></b>	<b>70 779</b>	<b>76 842</b>
<b>Disposals (net sale value)</b>	<b>18 418</b>	<b>5 519</b>

<sup>1)</sup>This item also includes the tangible assets manufactured in the Group, mainly mining shearers.

at the Issuer

	01.01.2013 to 30.06.2013	01.01.2012 to 30.06.2012
<b>Acquisitions</b>	<b>1 388</b>	<b>863</b>
<b>Disposals (net sale value)</b>	<b>58</b>	<b>98</b>

8. TRANSACTIONS WITH RELATED PARTIES AT THE CAPITAL GROUP

	Revenues from sale of products, goods and materials	Other sale	Finance revenues
<b>01.01.2013 to 30.06.2013</b>			
from affiliates	110	-	-
from other related parties	338	27	1 109
<b>01.01.2012 to 30. 06.2012</b>			
from affiliates	2 253	-	29
from other related parties	322	-	58

	Purchase of goods and services	Purchase of tangible and intangible assets	Finance costs
<b>01.01.2013 to 30.06.2013</b>			
from affiliates	1 859	-	-
from other related parties	2 986	258	-
<b>01.01.2012 to 30. 06.2012</b>			
from affiliates	810	-	-
from other related parties	1 356	-	-

Receivables and liabilities from related parties	30.06.2013	31.12.2012
Gross receivables from affiliates	12 405	12 316
Gross receivables from other related parties	30 963	53 853
Affiliates' receivables	1 731	4 199
Other related parties' receivables	203	945

Write downs from subsidiaries and affiliates	30.06.2013	31.12.2012
At the beginning of period	4 970	4 970
Establishing write down	-	-
At the end of period	4 970	4 970

Write downs from other related parties	30.06.2013	31.12.2012
At the beginning of period	3 447	6 647
Establishing write down	-	532
Dissolution of write down	46	3 732
At the end of period	3 401	3 447

Receivables and liabilities for loans	30.06.2013	31.12.2012
Receivables for loans from related parties	33 573	23 312
Receivables for loans from affiliates	1 326	-
Liabilities for loans from other related parties	-	-
Liabilities for loans from affiliates	-	-

9. TRANSACTIONS WITH RELATED PARTIES AT THE ISSUER

	Revenues from sale of products goods and materials	Other revenues (including dividends)	Finance revenues
<b>01.01.2013 to 31.03.2013</b>			
from subsidiaries	7 410	5 023	3 785
from affiliates	1 417	-	-
from other related parties	26	27	949
<b>01.01.2012 to 31.03.2012</b>			
from subsidiaries	7 540	33 525	2 540
from affiliates	1 391	-	29
from other related parties	120	-	58

	Purchase of goods and services	Purchase of tangible and intangible assets	Finance costs
<b>01.01.2013 to 31.03.2013</b>			
From subsidiaries	131 262	720	4 00
From other related parties	1 311	248	-
<b>01.01.2012 to 31.03.2012</b>			
From subsidiaries	176 451	-	788
From other related parties	812	-	-

	30.06.2013	31.12.2012
<b>Receivables and liabilities from related parties</b>		
Gross receivables from subsidiaries	78 245	77 756
Gross receivables from other related parties	25 324	24 939
Affiliates liabilities	85 002	112 618
Other related parties liabilities	51	304
<b>Write downs on receivables from subsidiaries and affiliates</b>	30.06.2013	31.12.2012
at the beginning of period	2 390	337
establishing write down	-	2 102
dissolution of write downs	-	20
exchange rate differences	20	-29
at the end of period	2 410	2 390
<b>Write downs on receivables from related parties</b>	31.03.2013	31.12.2012
at the beginning of period	3 447	6 647
establishing write down	-	-
dissolution of write downs	46	3 200
at the end of period	3 401	3 447
<b>Loans receivables and liabilities</b>	31.03.2013	31.12.2012
Receivables from subsidiaries loans	56 003	55 873
Receivables from affiliates loans	-	-
Receivables from other related parties	30 807	23 312
Liabilities from subsidiaries loans	24 625	78918

## 10. OPERATING SEGMENTS

Considering regulations of IFRS 8, in force since 1 January 2009, activities of the Capital Group have been divided into segments reflecting main activities and mining has been selected as a major segment. The mining segment merged industrial segments addressed to similar client groups for the offered products and services. The basic criterion for the presentation of operating segments is the result of a breakdown of the management structure and internal reporting structure of the Group.

Industrial segments include:

- mining segment
- manufacture and sale of industrial machinery and equipment segment,
- sale of electricity segment
- sale of coal segment
- other activities segment

Other activities segment includes construction, workshop, lease, agency services, forwarding, transport and leasing services as well as car sales, consulting and maintenance services.

Companies included in the Capital Group offer underground and surface mining as well as industrial machinery and equipment, complete industrial solutions, mining services, raw materials and electricity, as well as consulting and agency services in domestic and foreign trade.

Besides, they offer construction, workshop, lease, agency, forwarding, transport services, leasing, maintenance and repair services tailor-made, dependent on individual clients' needs.

Reliability and comparability of information over time for various groups of products and services of the Capital Group as well as its organisational structure were taken into account when selecting an operating segment.

It should be noted that not all of these segments meet the quantitative threshold of 10% or more of total external and internal revenue but they were presented considering their significance.

The body responsible for making decisions in the entity evaluates performance of individual operating segments based on the result of gross sales and operating profit, what has been reflected in their presentation. Consolidation adjustments, exemptions are included in revenue and segment result, which objectifies the segment result.

The Group operates in a number of geographical areas and therefore the Company's management found it necessary to supplement revenues presented in different countries, due to the fact that the complexity of territorial activities of the Group.

The following tables provide information about operating segments in the consolidated division of industry and geographical location.

### CONSOLIDATED OPERATING SEGMENTS INFORMATION BY INDUSTRIAL SECTORS

	Mining		Manufacture and sale of industrial machinery and equipment		Sale of electricity		Sale of coal		Other activities		Eliminations from consolidation		Consolidated value	
	Q 1-2 2013	Q 1-2 2012	Q 1-2 2013	Q 1-2 2012	Q 1-2 2013	Q 1-2 2012	Q 1-2 2013	Q 1-2 2012	Q 1-2 2013	Q 1-2 2012	Q 1-2 2013	Q 1-2 2012	Q 1-2 2013	Q 1-2 2012
Total revenues of the segment	836 079	1 021 360	5 668	13 664	82 407	159 959	6 914	10 636	65 302	64 646	-284 688	-310 214	711 682	960 051
Segment revenues from external clients	581 290	736 474	5 657	13 064	82 407	157 504	6 914	10 636	35 414	42 373	-	-	711 682	960 051
Revenue between segments	-	-	-	-	-	2 455	-	-	29 888	22 273	-29 888	-24 728	-	-
Result of the segment- gross result from sale	83 810	169 691	-470	-158	2 560	4 272	262	586	3 638	6 867	-	-	89 800	181 258
Operating result of the segment	25 375	95 430	-1 527	-2 411	315	583	28	152	-3 152	-10 912	-	-	21 039	82 842
Operating result not assigned to the segment														40 362
Total operating result													21 039	42 480
Result on financial activities of the whole group													-11 302	-29 483
Goodwill write-off for subordinated entities													-	-
Loss of control over subsidiary													-	-
Share in profit (loss) of the subordinated entities valued with the equity method													4 017	9 436
Gross profit (loss)													13 754	22 433
Income tax													877	12 401
Net consolidated profit (loss)													12 877	10 032
Net profit (loss) contributable to non-controlling shareholders													778	1 107
Net profit (loss) contributable to the parent company's shareholders													12 099	8 925



**INFORMATION ON CONSOLIDATED REVENUES BY GEOGRAPHICAL DESTINATIONS**

	Mining		Manufacture and sale of industrial machinery and equipment		Sale of electricity		Sale of coal		Other activities		Consolidated value	
	Q1-2 2013	Q1-2 2012	Q1-2 2013	Q1-2 2012	Q1-2 2013	Q1-2 2012	Q1-2 2013	Q1-2 2012	Q1-2 2013	Q1-2 2012	Q1-2 2013	Q1-2 2012
SOUTH AFRICA	19 452	22 973									19 452	22 973
ARGENTINA	48 386	23 449									48 386	23 449
AUSTRALIA	7 451	50 617								551	7 451	51 168
BOSNIA	43 056	133		2							43 056	135
CHINA	13 412	15 420							71		13 483	15 420
CZECH	20 975	34 885			21 971	16 316			288	570	43 234	51 771
FRANCE	5 756	3 355		1 295							5 756	4 650
SPAIN	29	122					4 082	4 791		6	4 111	4 919
GERMANY	11 159	23 815	4 645	9 174	22 333	20 507			234	618	38 371	54 114
NORWAY	3 670	2 329					857	1 458			4 527	3 787
POLAND	300 636	461 710		597	37 835	115			34 087	38 059	372 558	616 110
RUSSIA	91 550	87 133							458	447	92 008	87 580
SERBIA	5 164	3 375	1 012	1 986					276	676	6 452	6 037
SLOVAKIA	13	22			268	523	1 342	2 618			1 623	3 163
TURKEY	9 338	338									9 338	338
OTHER	1 243	6 798		10		4 414	633	1 769		1 446	1 876	14 437
<b>Total sale</b>	<b>581 290</b>	<b>736 474</b>	<b>5 657</b>	<b>13 064</b>	<b>82 407</b>	<b>157</b>	<b>6 914</b>	<b>10 636</b>	<b>35 414</b>	<b>42 373</b>	<b>711 682</b>	<b>960 051</b>

Information on the Group's major external clients, from whose income exceeds 10% or more of total revenue of the Group, i.e. amounts to PLN 71,168 thousand or more.

For the period January to June 2013 quantitative criterium defining the major client, was fulfilled with a single counterparty. Revenues from that major client amounted to PLN 86,565 thousand and were realised in the mining segment. There are no formal connections between KOPEX S.A. and that major client.

Fixed assets (other than financial instruments, deferred tax assets, Post-employment assets and rights arising under insurance contracts) of the Capital Group are in 89.6% are located in the country of origin of the Parent Company.

## 11. FAIR VALUE

Financial assets and liabilities measured at fair value as at 30 June 2013 :

At the Capital Group :

Classes of financial instruments	The fair value hierarchy		
	level 1	level 2	level 3
Stocks and shares	1 731		
Derivatives, including:			
Assets		-2 552	
Liabilities		1 940	
		-4 492	

At the Issuer

**The fair value hierarchy**

**Classes of financial instruments**

	<b>level 1</b>	<b>level 2</b>	<b>level 3</b>
Stocks and shares	1 731		
Derivatives, including:		-3 146	
Assets		1 346	
Liabilities		-4 492	

Methods and assumptions used by the Group in determining fair values

The following valuation levels were adopted for financial instruments at fair value included the statement of financial position:

- level 1 - prices quoted from active markets for identical assets or liabilities

- level 2 – input data-in different than quoted prices classified to the level 1, that are observable for assets or liabilities, either directly ( i.e. as prices ) or indirectly  
( i.e. based on prices )

- level 3 – input data for valuation of assets and liabilities not based on observable market data.

The fair value of financial instruments classified as level 2 was determined by using appropriate valuation techniques ( made by the banks ) .

The Group is not able to determine reliably the fair value of shares held in companies not listed on active markets , classified as financial assets available for sale . The KOPEX Group values this group of assets at cost less accumulated impairment losses .

The fair value of other financial assets and liabilities approximates their value recognised in the statement of financial position.

**12. SEASONAL INFORMATION**

The KOPEX Group's business is not seasonal , so in this respect the current results do not fluctuate significantly during the year.

### 13. STATEMENT BY THE KOPEX S.A. BOARD

Semi-annual separate and consolidated financial statements and comparative information was prepared in accordance with the rules of the International Accounting Standards (IAS) and they reflect a true and fair view of the financial and profit or loss positions of KOPEX SA and KOPEX SA Group.

The entity authorised to audit financial statements that audited the semi-annual separate and consolidated financial statements had been selected in accordance with the law.

The entity and the independent chartered accountant who conducted audit met the requirements to prepare an independent audit report in accordance with the applicable Polish law.

Member of the Board

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Joanna Węgrzyn

Member of the Board

*/illegible signature/*

Arkadiusz Śnieżko

Member of the Board

*/illegible signature/*

Andrzej Meder

President of the Board

*/illegible signature/*

Józef Wolski

Person responsible for bookkeeping.

Director of accounting and taxation

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Alina Mazurczyk

Katowice, 28 August 2013