



**ABBREVIATED MID-YEAR
CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS
FOR THE PERIOD
01 JANUARY 2014 TO 31 MARCH 2014**

**DRAWN UP IN PURSUANCE OF THE INTERNATIONAL
FINANCIAL REPORTING STANDARDS (IFRS)**

**KATOWICE, MAY 2014
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Consolidated Statement of Financial Position of KOPEX S.A. Capital Group

	31.03.2014	31.12.2013
ASSETS		
Fixed assets	<u>2 340 298</u>	<u>2 351 375</u>
Intangible assets	156 310	153 000
Goodwill of the subordinated entities	1 248 487	1 248 064
Tangible assets	750 370	752 459
Investment real estate	25 954	26 725
Investment accounted for by equity method	37 067	54 526
Long-term lease receivables	27 674	37 144
Other long-term financial assets	35 656	18 259
Deferred income tax	58 780	61 198
Current assets	<u>1 188 519</u>	<u>1 123 889</u>
Inventories	309 485	296 708
Short-term receivables from supplies and services	395 826	371 345
Short-term other receivables	91 499	84 225
Short-term lease receivables	48 362	55 627
Short-term loans granted	35 952	39 285
Current income tax receivables	4 104	4 102
Derivative financial instruments	7 700	9 812
Financial assets at fair value through profit loss	90	90
Construction services agreement assets	216 380	174 108
Cash and its equivalent	79 121	88 587
Fixed assets available for sale	<u>1</u>	<u>1</u>
Total assets	<u><u>3 528 818</u></u>	<u><u>3 475 265</u></u>
LIABILITIES AND EQUITY CAPITAL		
Equity	<u>2 543 937</u>	<u>2 516 509</u>
Share capital	74 333	74 333
Own shares	-2 979	-2 979
Share issue above nominal value	1 054 942	1 054 942
Revaluation reserve	3 401	5 019
Exchange rate differences from translation	13 740	9 732
Retained profit	1 394 972	1 369 384
Minority shareholders capital	5 528	6 078
Long-term liabilities	<u>105 472</u>	<u>122 383</u>
Long-term credits and loans	35 645	43 824
Long-term other liabilities	1 956	3 464
Long-term lease liabilities	38 607	46 951
Deferred income tax reserve	7 738	6 352
Long-term reserve for post employment benefits	17 929	17 925
Other long-term reserves for liabilities	36	17
Long-term accruals	3 561	3 850
Short-term liabilities	<u>879 409</u>	<u>836 373</u>
Short-term credits and loans	353 685	364 365
Supplies and services short-term liabilities	249 189	212 006
Short-term other liabilities	176 799	163 137
Short-term lease liabilities	34 285	32 120
Current income tax liabilities	2 116	9 571
Derivative financial instruments	477	547
Short-term reserve for employee benefits	16 822	13 004
Other short-term reserves for liabilities	14 570	14 309
Short-term prepayments	31 466	27 314
Liabilities and equity, total	<u><u>3 528 818</u></u>	<u><u>3 475 265</u></u>
Book value	2 543 937	2 516 509
Number of shares	74 056 038	74 056 038
Book value per share (BVPS) in [PLN]	34,35	33,98

**Consolidated profit and loss account of KOPEX S.A. Capital Group
in thousand zlotys**

	01.01.2014 to 31.03.2014	01.01.2013 to 31.03.2013
CONTINUED OPERATIONS		
Net income from sale of products, goods and materials, incl:	377 283	327 405
Net income from sale of products	352 784	297 443
Net income from sale of goods and materials	24 499	29 962
Costs of products, goods and materials sold, incl:	301 329	283 233
Manufacture costs of products sold	277 352	266 038
Value of goods and materials sold	23 977	17 195
Gross profit on sales	75 954	44 172
Other income	3 533	1 288
Selling costs	10 605	6 897
Overheads	34 882	30 568
Other costs	2 329	1 940
Other profit	3 274	11 628
Operating profit	34 945	17 683
Financial revenues, incl:	2 996	5 696
Interest	2 757	5 696
Other	239	-
Finance costs, incl:	6 239	12 068
Interest	5 697	11 199
Other	542	869
Share in profit (loss) of the subordinated entities evaluated by the equity method	3 444	3 050
Gross profit	35 146	14 361
Income tax, including	9 097	4 772
current	4 386	8 227
deferred	4 711	-3 455
Consolidated net profit from continued operations	26 049	9 589
Consolidated net profit from discontinued operations	68	596
Total consolidated net profit	26 117	10 185
Net profit attributable to minority shareholders	228	444
Net profit attributable to the controlling company shareholders, including:	25 889	9 741
-from continued operations	25 821	9 145
-from discontinued operations	68	596
Weighted average number of common shares	74 056 038	74 056 038
Net profit from continued operations attributable to the controlling company shareholders per 1 common share	0,35	0,12
Net profit from discontinued operations attributable to the controlling company shareholders per 1 common share	-	0,01
Total net profit attributable to the controlling company shareholders per 1 common share	0,35	0,13

**Total Income Statement of KOPEX S.A. Capital Group
in thousand zlotys**

	01.01.2014 to 31.03.2014	01.01.2013 to 31.12.2013	01.01.2013 to 31.03.2013
Consolidated net profit	26 117	66 403	10 185
Other total incomes (loss) which will not be transferred to the result	195	-486	-274
Actuarial loss from defined benefit program	-	-249	-
Income tax from actuarial losses	-	49	-
Other income	195	-286	-274
Other total incomes (loss) which will can be transferred to the result	2 416	-11 119	-4 892
Exchange rates differences	4 034	-10 123	719
Cash flow hedging	-1 998	-1 228	-6 924
Income tax on cash flow hedges	380	232	1 313
All other total income (loss) after taxation	2 611	-11 605	-5 166
Total income	28 728	54 798	5 019
attributable to minority shareholders	227	879	307
attributable to KOPEX S.A. shareholders	28 501	53 919	4 712

Consolidated Changes in Equity Statement of KOPEX S.A. Capital Group 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	Deferred income tax					
Balance as at 01.01.2013 in accordance with approved financial statements	74 333	-2 979	1 054 942	7 550	-176	-1 430	19 712	1 324 019	2 475 971	5 542	2 481 513
Calkowite dochody ogolem	-	-	-	-6 861	-	1 302	805	9 466	4 712	307	5 019
Acquisition/increase or decrease of control	-	-	-	-	-	-	4	-82	-78	-174	-252
Balance as at 31.03.2013	74 333	-2 979	1 054 942	689	-176	-128	20 521	1 333 403	2 480 605	5 675	2 486 280
Balance as at 01.01.2013 zgodnie z zatwierdzonym sprawozdaniem finansowym	74 333	-2 979	1 054 942	7 550	-176	-1 430	19 712	1 324 019	2 475 971	5 542	2 481 513
Calkowite dochody ogolem	-	-	-	-1 140	-	215	-9 984	64 828	53 919	879	54 798
Dividend	-	-	-	-	-	-	-	-3 702	-3 702	-30	-3 732
Acquisition / increase or decrease of control	-	-	-	-	-	-	4	-5 796	-5 792	-1 073	-6 865
Acquisition of entities under joint control	-	-	-	-	-	-	-	-9 807	-9 807	760	-9 047
Other	-	-	-	-	-	-	-	-158	-158	-	-158
Balance as at 31.12.2013	74 333	-2 979	1 054 942	6 410	-176	-1 215	9 732	1 369 384	2 510 431	6 078	2 516 509
Balance as at 01.01.2014 in accordance with approved financial statements	74 333	-2 979	1 054 942	6 410	-176	-1 215	9 732	1 369 384	2 510 431	6 078	2 516 509
Total income	-	-	-	-1 998	-	380	4 008	26 111	28 501	227	28 728
Acquisition / increase or decrease of control	-	-	-	-	-	-	-	-390	-390	-777	-1 167
Other	-	-	-	-	-	-	-	-133	-133	-	-133
Balance as at 31.03.2014	74 333	-2 979	1 054 942	4 412	-176	-835	13 740	1 394 972	2 538 409	5 528	2 543 937

**Consolidated Statement of Cash Flow of KOPEX S.A. Capital Group
in thousand zlotys**

	01.01.2014 to 31.03.2014	01.01.2013 to 31.03.2013
CASH FLOW FROM OPERATING ACTIVITY		
Gross profit (loss)	35 230	15 097
Corrections by		
Depreciation	37 282	35 804
Share in net (profit) loss of the subsidiaries evaluated by the equity method	-3 444	-3 050
(Profit) loss from exchanges rates differences	1 469	-3 821
Interest and share in profits (dividends)	2 940	9 900
(Profit) loss from investment activity	-2 113	-1 991
Change in reserves	4 102	927
Change in inventories	-12 777	16 316
Change in receivables from supplies, services, and other receivables	-11 819	39 351
Change in short-term liabilities from supplies, services and other receivables	28 322	-76 079
Change in accruals	3 814	15 220
Change in assets value from construction service agreements	-42 272	37 618
Income tax paid	-11 844	-6 121
Write downs on asset value and intangible assets	-798	-118
Foreign currency transactions	44	-1 249
Other corrections	1 942	2 071
Net cash flow from operating activity	30 078	79 875
CASH FLOW FROM INVESTMENT ACTIVITY		
Sale of intangible and tangible fixed assets	4 853	14 642
Sale of financial assets	7 855	357
Dividends and share in profits received	3 990	-
Repayment of loans	3 502	44 985
Interest received	160	1 799
Other revenues	49	2 526
Acquisition of intangible and tangible fixed assets*	-30 365	-39 061
Acquisition of financial assets	-135	-
Loans granted	-108	-9 900
Net cash flow from investment activity	-10 199	15 348
CASH FLOW FROM FINANCIAL ACTIVITY		
Credits and loans	32 562	24 592
Dividends and other payment for owners	-	-1 363
Repayment of credits and loans	-48 646	-77 354
Payment of liabilities from financial lease agreements	-7 461	-8 740
Interest paid	-4 796	-9 645
Paid commissions on loans and sureties	-367	-393
Transactions with non-controlling shares	-1 167	-2 793
Other financial expenses	-	-60
Net cash flow from financial activity	-29 875	-75 756
TOTAL NET CASH FLOW	-9 996	19 467
Balance change in cash, incl:	-9 466	18 936
- change in cash from differences in exchange rate	530	-531
Cash at the beginning of period	88 587	81 583
Cash at the end of period, incl:	79 121	100 519
- restricted cash	2 803	6 248

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

**Statement of Financial Position of KOPEX S.A.
In thousand zlotys**

	31.03.2014	31.12.2013
ASSETS		
Fixed assets	1 465 003	1 470 334
Intangible assets	10 074	10 581
Tangible fixed assets	21 683	30 000
Investment real estate	6 103	6 161
Long-term lease receivables	39 230	35 959
Other long-term financial assets	1 382 299	1 381 720
Deferred income tax assets	5 614	5 913
Current assets	331 648	264 597
Inventories	9 068	1 759
Short-term receivables from supplies and services	90 734	59 261
Short-term other receivables	35 155	33 052
Short-term lease receivables	27 664	26 284
Short-terms loans granted	107 426	101 355
Current income tax receivables	2 183	2 323
Derivative financial instruments	7 163	8 690
Financial assets at fair value through profit or loss	90	90
Construction contract assets	28 854	10 285
Cash and its equivalents	23 311	21 498
Total assets	1 796 651	1 734 931
LIABILITIES AND EQUITY		
Equity	1 447 135	1 446 707
Share capital	74 333	74 333
Own shares	-2 979	-2 979
Issue of shares over nominal value	1 054 942	1 054 942
Revaluation reserve	3 568	5 186
Retained profit	317 271	315 225
Long-term liabilities	34 850	40 257
Long-term credits and loans	28 007	33 608
Long-term other liabilities	30	-
Deferred income tax reserve	2 771	2 318
Long-term reserve for employee benefits	481	481
Accruals	3 561	3 850
Short-term liabilities	314 666	247 967
Short-term credits and loans	102 034	100 821
Supplies and services short-term liabilities	95 200	64 202
Short-term other liabilities	97 740	63 471
Liabilities for current income tax	-	314
Derivative financial instruments	447	425
Short-term reserve for employee benefits	1 311	1 204
Other short-term reserves for liabilities	437	868
Short-term accruals	17 497	16 662
Total liabilities and equity	1 796 651	1 734 931
Book value	1 447 135	1 446 707
Number of shares	74 056 038	74 056 038
Book value per share (BVSP) in [PLN]	19,54	19,54

Separate Income Statement of KOPEX S.A.
In thousand zlotys

	01.01.2014 to 31.03.2014	01.01.2013 to 31.03.2013
CONTINUED OPERATIONS		
Net income from sale of products, goods and materials, incl:	87 485	160 183
Net income from sale of products	72 909	148 665
Net income from sale of goods and materials	14 576	11 518
Costs of products, goods and materials sold	78 672	158 110
Manufacture cost of products	65 146	147 056
Value of goods and materials	13 526	11 054
Gross profit on sales	8 813	2 073
Other income	897	98
Selling costs	2 211	1 035
Overheads	6 907	6 075
Other costs	456	287
Other profit (loss)	-164	2 314
Operating loss	-28	-2 912
Financial revenues, incl:	5 743	6 896
Interest	2 684	3 913
Exchange rate differences	350	1 107
Other	2 709	1 876
Finance costs, incl:	2 500	6 002
Interest	1 798	4 290
Other	702	1 712
Gross profit (loss)	3 215	-2 018
Income tax, incl:	1 104	-53
deferred	1 104	-53
Net profit from continued operations	2 111	-1 965
Net profit from discontinued operations	68	596
Total net profit (loss)	2 179	-1 369
Weighted average number of common shares	74 056 038	74 056 038
Net profit (loss) from continued operations per 1 common share	0,03	-0,03
Net profit (loss) from discontinued operations per 1 common share	0,00	0,01
Net profit (loss) per one common share	0,03	-0,02

Total Income Statement of KOPEX S.A.
in thousand zlotys

	01.01.2014 to 31.03.2014	01.01.2013 to 31.03.2013
Net profit (loss)	2 179	-1 369
Other total income (loss) not to be transferred to the result	-	-
Other total income (loss) to be transferred to the result	-1 618	-4 593
Hedging cash flow	-1 998	-5 670
Income tax on cash flow hedges	380	1 077
Total other income (loss) after taxation	-1 618	-4 593
Total incomes	561	-5 962

Changes in Equity Statement KOPEX S.A.
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 01.01.2013 in accordance with approved financial statements	74 333	-2 979	1 054 942	5 879	-1 117	253 825	1 384 883
Total income (loss)	-	-	-	-5 670	1 077	-1 369	-5 962
Balance as at 31.03.2013	74 333	-2 979	1 054 942	209	-40	252 456	1 378 921
Balance as at 01.01.2013 in accordance with approved financial statements	74 333	-2 979	1 054 942	5 879	-1 117	253 825	1 384 883
Total income (loss)	-	-	-	523	-99	65 260	65 684
Dividends	-	-	-	-	-	-3 702	-3 702
Other	-	-	-	-	-	-158	-158
Balance as at 31.12.2013	74 333	-2 979	1 054 942	6 402	-1 216	315 225	1 446 707
Balance as at 01.01.2014 in accordance with approved financial statements	74 333	-2 979	1 054 942	6 402	-1 216	315 225	1 446 707
Total income (loss)	-	-	-	-1 998	380	2 179	561
Other	-	-	-	-	-	-133	-133
Balance as at 31.03.2014	74 333	-2 979	1 054 942	4 404	-836	317 271	1 447 135

Statement of Cash Flow of KOPEX S.A. in thousand zlotys

	01.01.2014 to 31.03.2014	01.01.2013 to 31.03.2013
CASH FLOW FROM OPERATING ACTIVITY		
Gross profit (loss)	3 299	-1 282
Corrections by:		
Depreciation	1 141	736
(Profit) loss from exchange rate differences	-105	-511
Interest and share in profits (dividends)	-1 313	1 727
(Profit) loss from investment activity	-4	192
Change in reserves	-324	292
Change in inventories	-7 309	-14 483
Change in receivables from supplies, services and other receivables	-28 806	33 726
Change in short-term liabilities from supplies, services and other receivables	65 208	212
Change in accruals	546	13 352
Change in assets from construction contracts	-18 569	825
Income tax paid	-175	-530
Derivative financial instruments	-449	-924
Write downs on value of shares in subordinated entities	-	-224
Other	-133	-
Net cash flow from operating activity	13 007	33 108
CASH FLOW FROM INVESTMENT ACTIVITY		
Sale of intangible and tangible fixed assets	23	50
Sale of financial assets	-	357
Dividends and share in profits received	-	36 055
Interests received	182	1 777
Repayment of loans	3 216	45 666
Acquisition of intangible and tangible fixed assets	-1 583	-3 338
Acquisition of financial assets	-5	-243
Loans granted	-8 916	-11 873
Net cash flow from investment activity	-7 083	68 451
CASH FLOW FROM FINANCIAL ACTIVITY		
Credits and loans	24 400	17 500
Received commissions from sureties	2 557	1 871
Repayment of credits and loans	-28 721	-73 621
Interest paid	-640	-4 128
Paid commissions on loans and sureties	-1 482	-1 712
Net cash flow from financial activity	-3 886	-60 090
TOTAL NET CASH FLOW	2 038	41 469
Balance change in cash, incl:	1 813	41 052
- change in cash from differences in exchange rates	-225	-417
Cash at the beginning of period	21 498	14 992
Cash at the end of period, incl:	23 311	56 044
- restricted cash	-	-

**ADDITIONAL INFORMATION TO ABBREVIATED MID-YEAR CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY 2014 TO 31 MARCH 2014**

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 Eight 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 Eight Commercial Division under KRS number KRS – 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 street.

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 31 March 2014:

<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
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+ELGÓR S.A. (formerly: KOPEX ELECTRIC SYSTEMS S.A.)	Full consolidation method
KOPEX ELECTRIC SYSTEMS S.A. (formerly: EL-GÓR S.A.)	Full consolidation method
HANSEN & REINDERS CS spol.s.r.o. (Czech Republic)	Full consolidation method
KOPEX AFRICA (Pty) Ltd (RSA)	Full consolidation method
HANSEN CHINA Ltd (China)	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. (Russia)	Full consolidation method
KOPEX WARATAH PTY LTD (Australia)	Full consolidation method
ŚLAŃSKIE TOWARZYSTWO WIERTNICZE DALBIS Sp. z o.o.	Full consolidation method
KOPEX-EX-COAL Sp. z o.o.	Full consolidation method
STA-ODLEWNIE Sp. z o.o.	Full consolidation method
HS LUBAŃ 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 (China)	Equity consolidation method
WS BILDONIT 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 (China)	Equity consolidation method
MIILUX POLAND Sp. z o.o.	Equity consolidation method

*The shares of HANSEN ELECTRIC spol. s.r.o. (Czech Republic) were sold in March 2014. The consolidated income statement includes participation by individuals in proportion to their shares in the period in which the company was an associate.

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 coal.

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 12 May 2014.

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 20 September 1994 (Dz.U. z 2009. Nr. 152, poz. 1223, z późn.zm.)

These financial statements are abbreviated financial statements drawn up for the 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 2013.

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

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

2.2 DOPTED 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 2014 have been applied in these abbreviated and interim condensed consolidated and separate financial statements for the first time:

IFRS 10 "Consolidated Financial Statements"

IFRS 10 was issued by the International Accounting Standards Board in May 2011. and is valid in the European Union for annual periods beginning on or after 1 January 2014. or after that date.

The new standard replaces the guidance on control and consolidation in IAS 27 and SIC-12. IFRS 10 changes the definition of control in such a manner, to all entities subject to the same criteria for determining control. The amended definition is accompanied by extensive guidance on the application.

IFRS 10 had no effect on these financial statements.

IFRS 12 "Disclosure of Interests in Other Entities"

IFRS 12 was issued by the International Accounting Standards Board in May 2011 and is in force in the European Union for annual periods beginning on or after 1 January 2014 or after that date.

The new standard applies to entities that have an interest in a subsidiary, joint venture or associate in unconsolidated structured entity. The standard replaces the disclosure requirements currently contained in IAS 27 "Consolidated and Separate Financial Statements", IAS 28 "Investments in Associates" and IAS 31 "Interests in Joint Ventures". IFRS 12 requires entities to disclose information that helps users of financial statements to evaluate the nature, risks and financial impact of investments in subsidiaries, associates, joint ventures and unconsolidated structured entities. To this end, the new standard requires disclosure of information concerning a number of areas, including significant judgments and assumptions made in determining whether an entity controls, jointly controls or has significant influence over another entity; detailed information concerning the non-controlling interest in the operations and cash flows of the group; summary financial information of subsidiaries with significant non-controlling interests, as well as detailed information concerning interests in unconsolidated structured entities.

IFRS 12 will have an impact on the disclosures to be included in the annual financial statements.

Amended IAS 27 "Separate Financial Statements"

Amended IAS 27 "Separate Financial Statements" was issued by the International Accounting Standards Board in May 2011 and is valid in the European Union for annual periods beginning on or after 1 January 2014 or after that date.

IAS 27 was amended in connection with the publication of IFRS 10 "Consolidated Financial Statements". The amended IAS 27 is to define the requirements for recognition and presentation of investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. Guidance on control and consolidated financial statements have been replaced by IFRS 10.

Amendment to IAS 27 had no impact on these financial statements.

Amended IAS 28 "Investments in Associates and Joint Ventures"

Amended IAS 28 "Investments in Associates and Joint Ventures" was published by the International Accounting Standards Board in May 2011 and is valid in the European Union for annual periods beginning on 1 January 2014 or after that date.

Amendments to IAS 28 resulted from the IASB's project on joint ventures. The Board decided to include the principles for recognizing joint ventures using the equity method IAS 28, because this method is applicable to both joint ventures and associates. Aside from this exception, other guidelines have not changed.

Amendment to IAS 28 had no impact on these financial statements.

Amendments to IAS 32 - Offsetting Financial Assets and Financial Liabilities

Amendments to IAS 32 "Financial Instruments: Presentation" on offsetting financial assets and financial liabilities have been published by the International Accounting Standards Board in December 2011, and effective for annual periods beginning on or after 1 January 2014, or after that date.

The amendments introduce additional explanation of the application of IAS 32 to clarify inconsistencies encountered in the application of certain criteria for netting.

Amendments to IAS 32 had no significant impact on these financial statements.

Investment Entities - amendments to IFRS 10, IFRS 12 and IAS 27

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

The amendments clarify the definition of IFRS 10, an investment entity. Such entities will be required to demonstrate its subsidiaries at fair value through profit or loss and consolidate only those subsidiaries that provide services on its behalf from investment activities of the company. IFRS 12 also changed, introducing new disclosures on investment entities.

Group companies are not investment entities. Amendments to IFRS 10, IFRS 12 and IAS 27 had no impact on these financial statements.

IFRS 11 "Joint Arrangements"

IFRS 11 was issued by the International Accounting Standards Board in May 2011 and is in force in the European Union for annual periods beginning on or after 1 January 2014 or after that date. The new standard replaces IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities - Non-Monetary Contributions by Venturers". Changes in definitions limited the number of types of joint arrangements to two: joint operations and joint ventures. At the same time eliminating the existing choice of proportionate consolidation in respect of entities under common control. All participants in joint ventures are now required to approach the equity method.

IFRS 11 had no effect on these financial statements.

Changes in the transitional provisions of IFRS 10, IFRS 11, IFRS 12

International Accounting Standards Board published in June 2012, the changes in the transitional provisions of IFRS 10, IFRS 11 and IFRS 12 amendments are effective for annual periods beginning on or after 1 January 2014 or earlier - if the standards that are the basis (IFRS 10, 11, or 12) are applied at an earlier date. The amendments clarify the transitional provisions of IFRS 10 "Consolidated Financial Statements". Entities adopting IFRS 10 should assess whether they have the control on the first day of the annual period for which it was first applied IFRS 10, and if the conclusions differ from the conclusions of IAS 27 and SIC 12, the comparative information should be restated unless it would be impractical. The amendments also introduce additional transitional facilitate the application of IFRS 10, IFRS 11 and IFRS 12, by limiting the obligation to present comparative data only adjusted data for the immediately preceding reporting period. In addition, these changes abolish the requirement to present comparative information for the disclosures relating to unconsolidated entities managed contract for periods prior to the period of application of IFRS 12 for the first time.

These changes had no impact on these financial statements.

Published standards and interpretations which are not yet effective and have not been early adopted by the Group:

IFRIC 21 Taxes and Fees

IFRIC Interpretation 21 was published by the International Accounting Standards Board in May 2013 and effective for annual periods beginning on or after 1 January 2014 or after that date.

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 after approval by the European Union.

The Group is not currently able to estimate the impact of the application of IFRIC 21 on the financial statements.

At the date of preparation of these financial statements, IFRIC 21 has not yet been 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 following the approval by the European Union.

The Group is not currently able to estimate the impact of adopting the amendments to IAS 36 on its financial statements.

At the date of preparation of these financial statements, the amendments to IAS 36 have not yet been approved by the European Union.

IFRS 9 "Financial Instruments: Classification and Measurement and Hedge Accounting"

IFRS 9 was issued by the International Accounting Standards Board on 12 November 2009. replaces those parts of IAS 39 that relate to the classification and measurement of financial assets. In October 2010. IFRS 9 was supplemented by the classification and measurement of financial liabilities. In November 2013. further amended and issued a section on hedge accounting. In accordance with the recent amendments also removed the mandatory date of adoption, therefore its use is voluntary.

The standard introduces a model with only two classification categories for financial assets: fair value and subsequently measured at amortized cost. The classification is made at initial recognition and depends on the entity's business model for managing financial instruments and the contractual cash flow characteristics of these instruments.

Most of the requirements in IAS 39 for classification and measurement of financial liabilities were transferred to IFRS 9 unchanged. The key change is applied to the unit say the presentation of other comprehensive income effects of changes in own credit risk of financial liabilities designated as measured at fair value through profit or loss.

In terms of hedge accounting changes were designed to more closely match hedge accounting to risk management. Standard allows the use of IFRS 9 or continue hedge accounting in accordance with IAS 39, due to the fact that it does not include macro security.

The Group will apply IFRS 9 after its approval by the European Union.

The Company is not currently able to estimate the impact of the application of IFRS 9 on its consolidated and separate financial statements.

At the date of preparation of these interim condensed consolidated and separate financial statements, IFRS 9 has not yet been approved by the European Union.

Amendments to IAS 19 - Defined Benefit Plans: Contributions of employees

Amendments to IAS 19 "Employee Benefits" were published by the International Accounting Standards Board in November 2013. and effective for annual periods beginning on or after 1 July 2014. or after that date.

The amendments allow for the recognition of premiums paid by employees as a reduction of labor costs in the period in which the work is performed by the employee, rather than assign contributions to the work periods, if the amount of employee contributions is independent of the length of service.

The Group will apply the revised IAS 19 from 1 January 2015.

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

At the date of preparation of these interim condensed consolidated and separate financial statements, amendments to IAS 19 have not yet been approved by the European Union.

Improvements to IFRSs 2010-2012

International Accounting Standards Board published in December 2013. "Improvements to IFRSs 2010-2012", which change 7 standards. Poprawski include changes in presentation, recognition and measurement, as well as terminology and editorial changes. The amendments are effective in the majority for annual periods beginning on 1 July 2014.

The Group will apply these amendments from 1 January 2015.

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

At the date of preparation of these interim condensed consolidated and separate financial statements, amendments to IFRSs 2010-2012 have not yet been approved by the European Union.

Improvements to IFRSs 2011-2013

International Accounting Standards Board published in December 2013. "Improvements to IFRSs 2011-2013", which change the 4 standards. The amendments include changes in presentation, recognition and valued and contain terminology and editorial changes. The amendments are effective for annual periods beginning on or after 1 July 2014.

The Group will apply these amendments from 1 January 2015.

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

At the date of preparation of these interim condensed consolidated and separate financial statements, amendments to IFRSs 2011-2013 have not yet been 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 after their approval by the European Union.

The Group is not currently able to estimate the impact of adopting the amendments to IAS 39 on its financial statements.

At the date of preparation of these financial statements, the amendments to IAS 39 have not yet been approved by the European Union.

IFRS 14 "Regulatory accruals"

IFRS 14 was issued by the International Accounting Standards Board in January 2014 This standard allows individuals who produce financial statements in accordance with IFRS for the first time, to the recognition of amounts arising from the activities of regulated prices, according to previously applied accounting principles. To improve the comparability of individuals who are already using IFRS and do not show such amounts in accordance with the published IFRS 14, the amount resulting from the activities of regulated prices should be subject to the presentation of a separate item either in the statement of financial position as well as the income statement and statement of other comprehensive income.

The Group will apply IFRS 14 after its approval by the European Union.

The Group is not currently able to estimate the impact of the application of IFRS 14 on its financial statements.

At the date of preparation of these financial statements, amendments to IFRS 14 has not yet been approved by the European Union.

2.3 DISCONTINUED OPERATIONS

In relation to the decision of the Board Kopex SA to cease operations of electricity trading below there were presented revenue, expenses, results and cash flows of discontinued operations in the reporting period and comparative period.

REVENUES, COSTS AND RESULT OF DISCONTINUED OPERATIONS WITHIN THE GROUP	01.01.2014 to 31.03.2014	01.01.2013 to 31.03.2013
Income and expenses from discontinued operations:		
Net income from sale of products, goods and materials	991	60 222
Value of goods and materials sold	885	57 783
Gross profit on sales	106	2 439
Other income	-	17
Selling costs	114	675
Overheads	-	1 097
Other profits (loss)	92	52
Operating profit	84	736
Gross profit	84	736
Income tax - deferred	16	140
Net profit from discontinued operations	68	596
Net profit from discontinued operations attributable to equity holders of the parent company	68	596
Cash flows from discontinued operations:		
Cash flows from operating activities	1 284	21 453
Cash flows from investing activities	-	-
Cash flows from financing activities	-	-
Total cash flows from discontinued operations	1 284	21 453

**REVENUES, COSTS, RESULTS AND CASHFLOW FROM DISCONTINUED OPERATIONS
DURING THE PERIOD AT THE ISSUER**

01.01.2014
to 31.03.2014

01.01.2013
to 31.03.2013

Income and expenses from discontinued operations:

Net income from sale of products, goods and materials	991	61 588
Value of goods and materials sold	885	59 149
Gross profit on sales	106	2 439
Other income	-	17
Selling costs	114	675
Overheads	-	1 097
Other profits (loss)	92	52
Operating profit	84	736
Gross profit	84	736
Income tax - deferred	16	140
Net profit from discontinued operations	68	596

Cash flows from discontinued operations:

Cash flows from operating activities	1 284	21 453
Cash flows from investing activities	-	-
Cash flows from financing activities	-	-
Total cash flows from discontinued operations	1 284	21 453

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 Q1 2014 there were no significant changes in estimates and estimation methodology in relation to the financial figures presented in the annual financial statement for 2013 that would have an impact on the current period.

3. CHANGE IN CONTINGENT LIABILITIES

at the Capital Group

	<u>As at 31 March 2014</u>	<i>Increases (+) decreases (-)</i>	<u>As at 31 December December 2013</u>
Total contingent liabilities, incl:	97 450	-1 352	98 802
1. To related parties			-
2. To other entities	97 450	-1 352	98 802
- warranties and suretyships granted	84 972	-1 822	86 794
- notes drawn	12 478	470	12 008

at the Issuer

	<u>As at 31 March 2014</u>	<i>Increases (+) decreases (-)</i>	<u>As at 31 December December 2013</u>
Total contingent liabilities, incl:	626 115	-33 158	659 273
1. To related parties			-
2. To other entities*	626 115	-33 158	659 273
- warranties and suretyships granted	619 730	-33 158	652 888
- notes drawn	6 385		6 385

* Contingent liabilities of KOPEX S.A. from other entities amount to PLN 542 049 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 2013 decreased by PLN 10 175 thou.

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. Plaintiff company made an appeal against the judgement to the Court of Appeal in Katowice. On February 18, 2014 the appeal hearing was held. The court adjourned sentencing on March 3, 2014. Katowice Court of Appeal issued a judgment in which it dismissed the appeal of the company Fazos SA. Judgment of the Court of Appeal in Katowice is final. Fazos Company SA may appeal a cassation to the Supreme Court.

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) and b) 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 RANSLATION 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 31.03.2014 - 4,1713
 - as at 31.12.2013 - 4,1472
- 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
 - Q1 2014 - 4,1894
 - Q1 2013 - 4,1738
- Maximum exchange rates in the following periods
 - Q1 2014 - 4,2368
 - Q1 2013 - 4,1870
- Minimum exchange rates in the following periods:
 - Q1 2014 - 4,1602
 - Q1 2013 - 4,1570

5. INFORMATION ON CHANGE IN RESERVES

at the Capital Group

	01.01.2014 to 31.03.2014	01.01.2013 to 31.03.2013
Change in reserves for liabilities	4 102	927
a) increases, incl:	6 419	1 243
- employee benefits	5 491	1 036
- reserve for liabilities	928	207
b) decreases, incl:	2 392	602
- employee benefits	1 734	278
- reserve for liabilities	658	324
c) exchange rate differences	75	286

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

at the Issuer

	01.01.2014 to 31.03.2014	01.01.2013 to 31.03.2013
Change in reserves for liabilities	-324	292
a) increases, incl:	108	298
- employee benefits	107	292
- reserve for liabilities	1	6
b) decreases, incl:	432	6
- employee benefits	-	-
- reserve for liabilities	432	6

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

at the Capital Group

	01.01.2014 to 31.03.2014	01.01.2013 to 31.03.2013
1) increases, incl:	948	387
- Receivables	587	344
- Inventories	336	43
- Other long-term assets	25	-
2) decreases, incl:	3 417	651
- Receivables	1 234	389
- Tangible and intangible assets	798	2
- Inventories	1 385	35
- Other long-term assets	-	225
3) exchange rate differences	627	328

at the Issuer

	01.01.2014 to 31.03.2014	01.01.2013 to 31.03.2013
1) increases, incl:	300	9
- Receivables	300	9
2) decreases, incl:	262	296
- Receivables	262	72
- Other long term assets	-	224
3) exchange rate differences	-	-15

7. ACQUISITIONS AND DISPOSALS OF TANGIBLE FIXED ASSETTS

at the Capital Group

	01.01.2014 to 31.03.2014	01.01.2013 to 31.03.2013
Acquisitions¹⁾	36 931	29 499
Disposals (net sale value)	906	10 817

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

at the Issuer

	01.01.2014 to 31.03.2014	01.01.2013 to 31.03.2013
Acquisitions	1 679	586
Disposals (net sale value)	12	17

8. TRANSACTIONS WITH RELATED PARTIES AT THE CAPITAL GROUP

	Revenues from sale of products, goods and materials	Other sale	Finance revenues
01.01.2014 to 31.03.2014			
from affiliates	588	-	-
from other related parties	24	46	324
01.01.2013 to 31.03.2013			
from affiliates	827	-	-
from other related parties	144	23	204

	Purchase of goods and services	Purchase of tangible and intangible assets	Finance costs
01.01.2014 to 31.03.2014			
from affiliates	9 012	-	-
from other related parties	1 945	-	-
01.01.2013 to 31.03.2013			
from affiliates	181	-	-
from other related parties	2 035	248	-

Receivables and liabilities from related parties	31.03.2014	31.12.2013
Gross receivables from affiliates	4 220	4 706
Gross receivables from other related parties	19 574	12 572
Gross lease receivables from affiliates	366	428
Liabilities to affiliates	10 477	8 489
Liabilities to other related parties	936	501

Write downs from other related parties	31.03.2014	31.12.2013
At the beginning of period	4 107	3 899
Write down establishing	80	254
Write down release	-	46
At the end of period	4 187	4 107

Receivables and liabilities for loans	31.03.2014	31.12.2013
Receivables for loans from related parties	26 261	38 519
Receivables for loans from affiliates	1 277	1 270
Liabilities for loans to related parties	-	-
Liabilities for loans to affiliates	-	-

9. TRANSACTIONS WITH RELATED PARTIES AT THE ISSUER

	Revenues from sale of products, goods and materials	Other revenues (including dividends)	Finance revenues
01.01.2014 to 31.03.2014			
from subsidiaries	5 230	-	3 745
from affiliates	494	-	-
from other related parties	15	-	241
01.01.2013 to 31.03.2013			
from subsidiaries	3 454	-	2 709
from affiliates	709	-	-
from other related parties	29	6	203

	Purchase of goods and services	Purchase of tangible and intangible assets	Finance costs
01.01.2014 to 31.03.2014			
From subsidiaries	30 926	1	632
From other related parties	387	-	-
01.01.2013 to 31.03.2013			
From subsidiaries	99 688	39	2 336
From other related parties	1 227	248	-

Receivables and liabilities from related parties	31.03.2014	31.12.2013
Gross receivables from subsidiaries	24 699	26 386
Gross receivables from other related parties	7 129	7 042
Gross lease receivables from subsidiaries	16 469	5 971
Gross lease receivables from affiliates	366	428
Liabilities to affiliates	56 639	48 952
Liabilities to other related parties	26	85

Write downs on receivables from subsidiaries and affiliates	31.03.2014	31.12.2013
At the beginning of period	2 365	2 390
Write down establishing	-	-
Write down release	-	-
Exchange rate differences	-152	-25
At the end of period	2 213	2 365

Write downs on receivables from other related parties	31.03.2014	31.12.2013
At the beginning of period	3 401	3 447
Write down establishing	1	-
Write down release	-	46
At the end of period	3 402	3 401

Loans receivables and liabilities	31.03.2014	31.12.2013
Receivables from subsidiaries loans	76 988	74 830
Receivables from affiliates loans	-	-
Receivables from other related parties loans	26 252	33 842
Liabilities from loans to subsidiaries	21 430	97

10. FAIR VALUE

Financial assets and liabilities measured at fair value as at 31 March 2014:

At the Capital Group :

Classes of financial instruments	The fair value hierarchy		
	level 1	level 2	level 3
Stocks and shares	90		
Derivatives, including:		7 223	
Assets		7 700	
Liabilities		-477	

At the Issuer

Classes of financial instruments	The fair value hierarchy		
	level 1	level 2	level 3
Stocks and shares	90		
Derivatives, including:		6 716	
Assets		7 163	
Liabilities		-447	

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.

11. GENERAL INFORMATION ABOUT THE ISSUER- THE PARENT ENTITY

- Company name and address of the Issuer: **KOPEX Spółka Akcyjna, ul. Grabowa 1, 40-172 Katowice**
- Tel. No: **+48 32 604 70 00;**
- Fax No: **+48 32 604 71 00;**
- E-mail: **kopex@kopex.com.pl**
- Corporate website address : **www.kopex.com.pl**
- Statistical TAX number (REGON): **271981166;**
- Tax identification number (NIP): **634-012-68-49;**
- National Court Register: **The company is registered in the Register of Entrepreneurs of the National Court Register kept by the District Court Katowice-East in Katowice, VIII Commercial Division of the National Court Register under the number KRS 0000026782;**
- The share capital of the Issuer: **PLN 74.332.538,00 and divides into 74.332.538 ordinary bearer shares with a nominal value of PLN 1.00 . each. All shares are fully paid.**

11.1. HISTORY AND DEVELOPMENT OF THE ISSUER

On 4 November 1961 KOPEX enterprise was established under the name Przedsiębiorstwo Budowy Zakładów Górniczych za Granicą – KOPEX, as a state- owned enterprise , basing on the Regulation No. 128 of the Minister of Mining and Power Industry. On 01 January 1962, after entering the register of state enterprises, it commenced business as a general supplier of mining facilities and equipment for export. In May 1971 the enterprise obtained permission to operate independently in foreign trade, including to export and import of mining and drilling machinery and equipment and of complete mining facilities, on the exclusivity basis. From 01 January 1989, after reorganization of the entities operating in the mining sector, KOPEX was a state-owned enterprise was Przedsiębiorstwo Eksportu i Importu KOPEX w Katowicach. /KOPEX Export and Import Enterprise based in Katowice.

On 19 November 1993 there was signed a transformation act of the state- owned enterprise, into one-person joint-stock company of the State Treasury Joint-Stock Company ,under the name Przedsiębiorstwo Eksportu i Importu KOPEX Spółka Akcyjna .On 3 January 1994 KOPEX S.A. entered the commercial register under number RHB 10 375.

The first ever listing of KOPEX S.A. shares on the Warsaw Stock Exchange based in Warsaw was on 4 June 1998.

On 23 October 2003 the company registered its altered name KOPEX Spółka Akcyjna, and abbreviation: KOPEX S.A. in the National Court Register and since then, this name has been used by the company.

On 16 December 2004, 64.64% shares of KOPEX S.A. were made by the State Treasury as a contribution in kind to Krajowa Spółka Cukrowa S.A., in exchange for shares in that company subscribed by the State Treasury in connection with the increase of its share capital.

The sale of all the shares of KOPEX S.A. held by Krajowa Spółka Cukrowa S.A. on 9 February 2006, was the turning point in the history of privatisation of KOPEX S.A. The transaction was effected after announcement the outcome of a public tender offer for the sale of shares which were acquired by an industry investor- Zabrzeńskie Zakłady Mechaniczne S.A., based in Zabrze, hereinafter referred to as ZZM S.A.. It resulted in the establishment of the ZZM - KOPEX Group, Poland's largest industrial group in the sector of manufacturers and suppliers of mining machinery, equipment and services, whose integrated potential made it possible to offer comprehensively mining equipment and services and to become the ZZM- KOPEX Group one of the leading partners of the global mining industry.

The next significant stage of transformation was issue of 47,739,838 KOPEX S.A. B-series bearer shares addressed to the shareholders of ZZM S.A. in the second half of 2007, and the reverse takeover transaction of ZZM S.A. by "KOPEX S.A.

Following this transaction, KOPEX S.A. became a holding company and a leader in the KOPEX S.A. Group, comprising companies established in Poland and abroad.

At the end of 2009 there was a successful issue of 6,700,000 KOPEX S.A. C- series bearer shares.

On 01 December 2009 there was registered increase of the share capital, that currently amounts to PLN 74,332,538. and divides into 74.332.538 ordinary bearer shares with a nominal value of PLN 1.00 . each. All shares are fully paid.

In 2009 the Group name was changed from previously used "ZZM-Kopex Group" to the new name "Kopex GROUP" with the simultaneous adoption of the new graphic symbols.

12. SUBJECT AND SCOPE OF ACTIVITIES OF THE CAPITAL GROUP

The core business of the Group "Kopex" SA ("Kopex Group", "Group") which employs more than 5,000 employees is focused on manufacture of machinery and equipment used in the mining industry. However, the Group is not only a manufacturer and supplier of machines and equipment for mining coal, lignite and non-ferrous ores, but above all the KOPEX Group is a general contractor in investment enterprises ensuring comprehensive investment service.

The Kopex-Group offers complex solutions for underground and open-pit mining. It is a respected and acknowledged manufacturer and supplier of high class machineries and equipment as well as modern mining technologies.

Flexibility of the Kopex-Group offer proves its ability of accomplishing orders according to individual requirements of the customer.

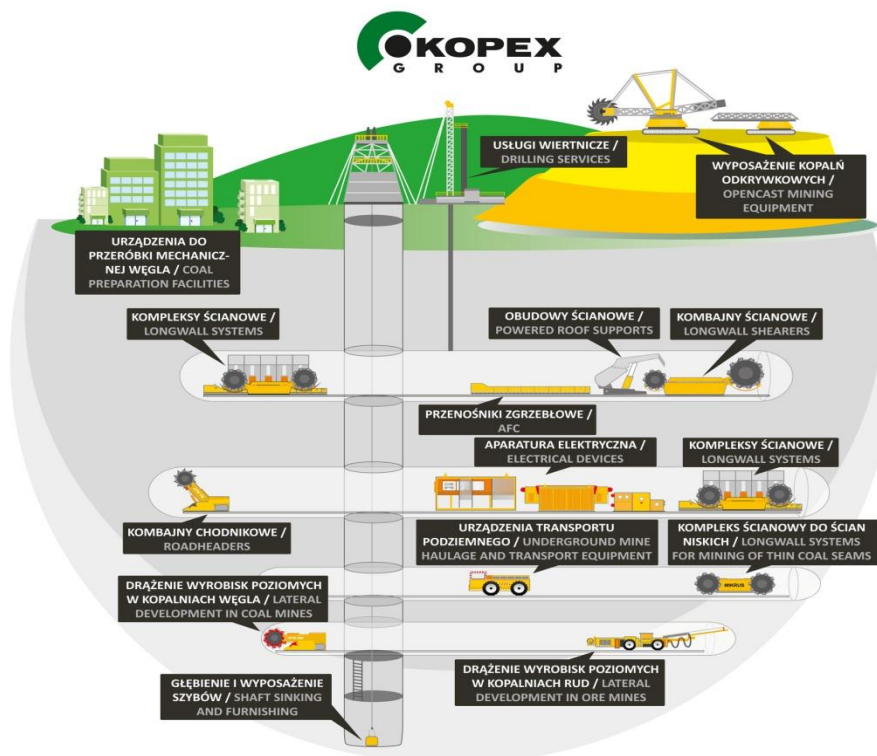
The Kopex Group brings together the leading manufacturers of high quality machinery, equipment and modern technologies for mining.

The Group's capabilities cover the whole investment process in the mining industry::

- ⇒ easibility study of the project,
- ⇒ supervising works regarding geological surveys of the mining area and assessment of reserves,
- ⇒ elaborating deposit mining technology,
- ⇒ designing mining plants,
- ⇒ manufacture, supply and assembly of machines, equipment and technological systems,
- ⇒ construction, development, modernization , mining execution and liquidation of mines
- ⇒ staff training and engineering support during project execution..

Mining machinery and equipment offered by KOPEX Group :

- longwall systems,
- powered roof supports of many types,
- longwall shearers,
- roadheaders,
- scraper and belt conveyors for mining,
- power and control hydraulics for roof supports,
- units of electrical power and control,
- mining electronics,
- automation systems,
- methane-measuring devices and means of communication,
- control and measuring apparatus,
- excavators, spreaders, stackerreclaimers, belt conveyors for open-cast mining,
- shuttle cars (Waracar)..



12.1. MARKET POSITION OF THE KOPEX GROUP

KOPEX Group is characterised by:

- complete range of products and technology for coal mining (underground mining, open-cast mining):
- individual treatment of every Client needs
- *diversified portfolio of customers:*
 - leading mining corporations in the world,
 - largest coal mines and power producers in Poland.
- own R & D base and office design, making it possible to work on the modern and high-tech products, adapted to different geological conditions and satisfying the most demanding business partners
- credibility and adherence to ethical and legal conduct of business rules, as a basis for conducting business activities and achieving sustained success,
- implemented and continually improved quality management systems certified with quality certificates according to ISO standards,
- a team of highly qualified and experienced specialists,
- multicultural working environment because of our presence in major mining markets in the world and accumulated 51 years of experience with the implementation in more than 50 countries around the world,
- implementation of the strategy of corporate social responsibility CSR..

Characteristics of basic scopes of activities of the main companies included in the KOPEX S.A. Capital Group

⇒ „**KOPEX**” S.A. - Scope of activities of the Company, in accordance with the Polish Classification of Activities (PKD), is determined in details in Par. 6 of the Articles of Association - “Wholesale of machineries used for mining, construction and civil and water engineering sectors- PKD No. 4663Z is the predominant activity of KOPEX S.A. , in accordance with the Polish Classification of Activities (PKD 2007).

For 51 years of its existence KOPEX S.A. has been specialised in international trade and has transformed over time into a general contractor and supplier of machinery, equipment and specialised services for underground and open-cast mining. With a wealth of experience and a team of highly qualified specialists "Kopex" SA intends to become a world-class expert in the mining of coal and other minerals, as well as a global company, providing the highest quality service for the mining and other industries.



⇒ **KOPEX MACHINERY S.A.** – manufacturer of mining longwall shearers, roadheaders, cutting drums for shearers and cutting heads for roadheaders, scraper conveyors (armoured face conveyors, beam stage loaders, gallery conveyors and special conveyors), toothed transmission gears, crushers for crushing the winning, turning stations of belt conveyors cooperating with BSL unit, independent conveyor facilities anchoring and advancing AFC units and BSL units, combustion floor toothed railroads, systems and equipment for mechanical coal preparation, belt conveyors and other material handling equipment. Company is also a supplier of filters for dust suppression systems.



AUTOMATED LONGWALL SYSTEMS

⇒ **Fabryka Maszyn i Urządzeń „TAGOR” S.A.** – designer and manufacturer of powered roof supports, gate-end supports, belt conveyors, AFCs, individual roof support units.



ROOF SUPPORTS

⇒ **Zabrzańskie Zakłady Mechaniczne – Maszyny Górnicze Sp. z o.o.** – renting and leasing of shearers, equipment and tangible goods, manufacture of metal structures and parts, manufacturing of general-purpose machinery.



SHEARERS AND ROADHEADERS

⇒ **„DOZUT-TAGOR” Sp. z o.o.** – manufacturer of sealing elements for power and control hydraulics, pneumatic systems as well as manufacturer of DURACHROM ecological protective coatings for power hydraulics.



Hydraulic props (legs) covered with DURACHROM unique protective ecological coatings

⇒ **WARATAH Engineering (KOPEX WARATAH) Pty Ltd /Australia/** – is a specialized supplier of equipment applicable in underground mining and tunneling projects in Australia and New Zealand.

Products offered by Kopex Waratah:

- shuttle cars – in the last 5 years Kopex Warath developed its own shuttle car brand - "WARACAR". Over 60 shuttle cars are currently operating in Australian coal mines. In 2011, the company introduced a new version of the shuttle car 2011 SS type.
- Lump crusher FB 2012.
- Roadheader KTW 200

- thorough reconstruction and restoration of following mining machinery and equipment: continuous miners, roadheaders, shuttlecars and crushers,
- partial repairs,
- replacement of spare parts,
- machinery rental,
- training and installation / maintenance / service.



Waracar Shuttle Car (2011 SS Shuttle Car)

- ⇒ **KOPEX-SIBIR Sp. z o.o. /Rosja/** – Activity of the Kopex-Sibir company covers: 24/7 service, conducting repairs, supplying customers with parts to machines and equipment, helping with supplying of new machines, equipment and technological systems.



SERVICE CENTRE

- ⇒ **ELGÓR+HANSEN S.A. (formerly KOPEX ELECTRIC SYSTEMS S.A. until 03.03.2014)** – designer and manufacturer of the electricity distribution systems in explosion-proof housing and supplier of electrical appliances for mining equipment as well as the execution of documentation of integrated power systems and control for mining excavation systems.



ELECTRICAL EQUIPMENT

- ⇒ **HANSEN Sicherheitstechnik AG /Niemcy/** – The Company's scope of activities comprises the acquisition and management of its own and / or other assets as well as design, management of shares in other companies operated in manufacture and repair of explosion-proof electrical and electronic systems, and, in particular in design, manufacture and repair of power energy distribution systems in explosion-proof housing ,supply of electrical fittings for mining equipment, development of technical documentation of electrical systems used in mining, in particular in the explosive atmospheres, manufacture of electronics for mining industry.

- ⇒ **KOPEX AFRICA Pty Ltd /RPA/** – is a key company in the Hansen Group, it is SABS approved company for the manufacture, repair and modification of flameproof and non-flameproof electrical switchgear and transformers for the mining industry. Company supplies equipment and services for motor starters, distribution and control boxes, mobile sub-stations, gate and boxes and specialized custom built equipment and projects for the mining industry..



ELECTRICAL EQUIPMENT

- ⇒ **KOPEX-Przedsiębiorstwo Budowy Szybów S.A.** – contractor of specialized mining services: sinking vertical workings (shafts, staple shafts), lateral development, tunneling. Construction services for the mining, underground, industrial construction sectors and civil engineering. Machinery, overhaul and construction fleet.



SPECIALISED MINING SERVICES

- ⇒ **Śląskie Towarzystwo Wiertnicze „DALBIS” Sp. z o.o.** – For many years ŚTW Dalbis has been specializing in drilling holes for various purposes and in practical implementation of drilling technologies in engineering and geotechnical work done both on surface and in underground mining plants.



DRILLING SERVICES

- ⇒ **PT. KOPEX MINING CONTRACTORS (LLC) /Indonesia/** – KMC has the capability to design, plan, construct, develop and operate underground coal mines as well as offering professional geological consultancy services to the coal mining industry in the Asia Pacific region.



MINING SERVICES

- ⇒ **„KOPEX-EX-COAL” Sp. z o.o.** – The Company’s main scope of activities comprises mining of coal, services related to forestry, peat extraction and mining.



COAL EXCAVATION

- ⇒ **„KOPEX-FAMAGO” Sp. z o.o.** – manufacturer of open-pit mining equipment: autonomous ECS systems (excavator, conveyor, spreader), excavators, spreaders, stackerreclaimers, belt conveyors and big dimension valves and bleeders for hydropower industry



OPEN –CAST MINING MACHINERY

⇒ **HSW Odlewnia Sp. z o.o.** – manufacturer of steel and iron castings for construction machinery, cranes and material handling equipment for mining, metallurgy, cement and marine industries as well as for agriculture machinery.



STEEL AND CAST IRON CASTINGS

13. THE CAPITAL GROUP. INFORMATION ON CHANGES IN ORGANISATIONAL OR CAPITAL CONNECTIONS OF THE ISSUER AND OF THE ISSUER'S SUBSIDIARIES

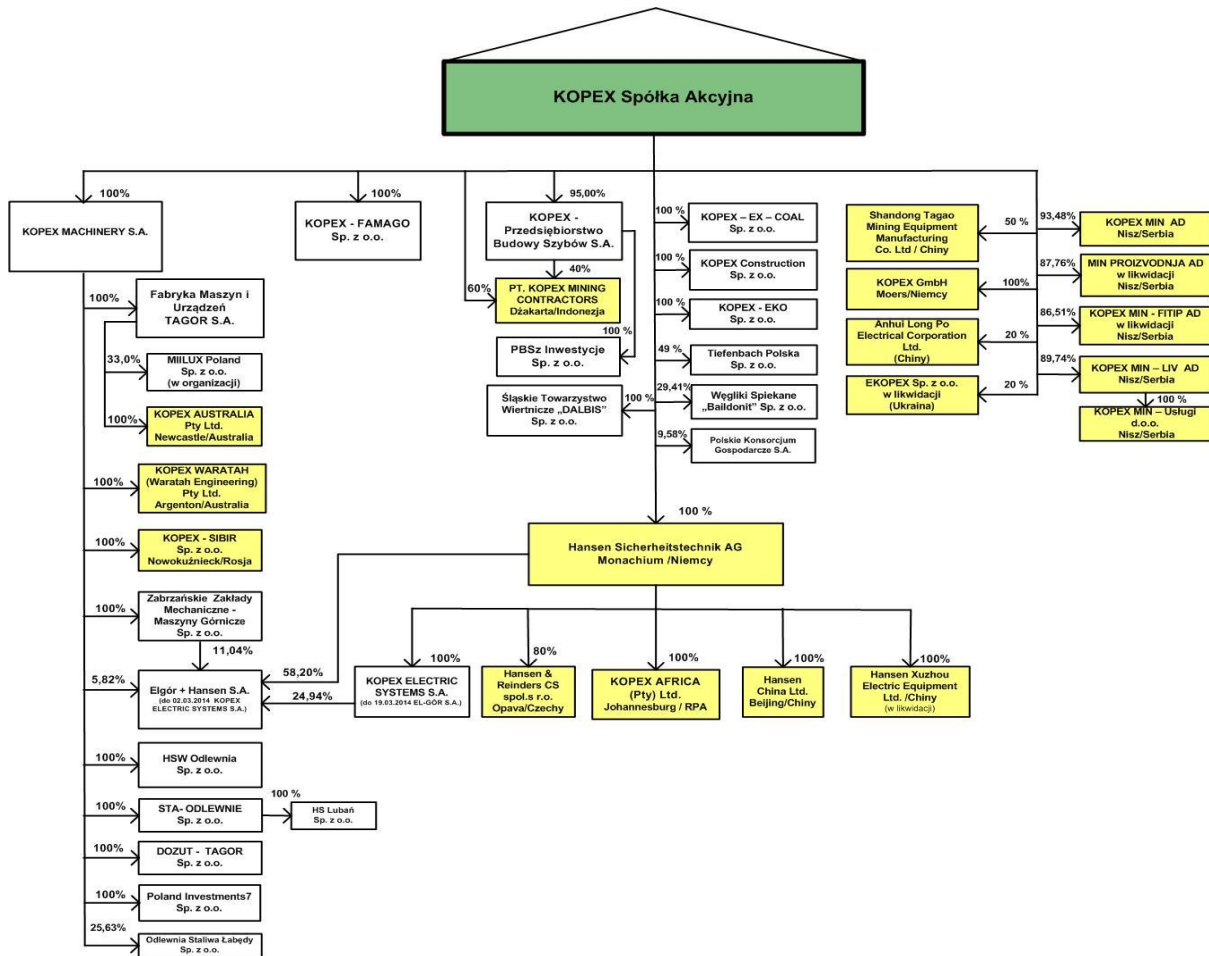
13.1. DESCRIPTION OF THE ORGANISATION OF THE ISSUER'S CAPITAL GROUP

The KOPEX S.A. Capital Group („KOPEX Group”, „Group”, „Issuer's Capital Group”) is composed of the parent company - KOPEX S.A. based in Katowice, the company listed on the Warsaw Stock Exchange and of several subsidiaries with associated entities. These subsidiaries are characterised by varying degrees of importance for business and significance of the composition of the KOPEX Group..



KOPEX S.A. as the leader of the Group plays a special role in the structure , by focusing the Group's central functions –it is the management of the holding, it provides for the development strategy of the whole Capital Group, it shows lines of the activities in the sphere of manufacture and services to the Group's subsidiaries, it runs the central accounting through the Accounting Centre for the Group's companies, it runs the central finance policy through the Finance Centre for the Group's companies, it coordinates central procurement as well as implementation and development of the Group's IT systems, besides, KOPEX S.A. accomplishes shareholder supervision tasks over subsidiaries of KOPEX S.A. Capital Group

Current Organisational chart of KOPEX S.A.



Notice: companies established abroad are indicted in yellow
Source: Company

14. **RESULTS OF THE CHANGES IN COMPOSITION OF THE ENTITY, ALSO RESULTING FROM THE MERGERS OF ECONOMIC ENTITIES, TAKEOVERS OR SALE OF SUBSIDIARIES OF THE ISSUER'S CAPITAL GROUP, LONG-TERM INVESTMENTS, DIVISIONS, RESTRUCTURING AND CEASING ACTIVITIES**

The Management Board of "Kopex" SA with a view to to ensure effective implementation of the objectives of the new strategy of the Kopex Group aiming to build highly effective organization implementing a business model, supporting the use of synergy, adapting to changing external and internal conditions and also aiming to reduce operating and financial costs and thus to increase profitability and increase the overall effectiveness and efficiency of the entire organization - on 26 November 2013 has taken resolution on the adoption of "Organizational Restructuring Program of the "Kopex "S.A. Group for the years 2013-2016 " and "Assets Optimisation Programme of the key companies of the "Kopex" S.A. Group for years 2013-2015".

The result of organizational restructuring should be to simplify the "Kopex" S.A. Group structure by reducing the number of companies in the Group, thus making it more transparent and remodeling of its composition in terms of the core business of the Group. The expected result of these actions will also reduce the operating costs and streamline management processes within the Group.

The planned organizational restructuring processes in the "Kopex" S.A. Group will consist of:

- ⇒ incorporation / merger / consolidation of selected companies with the Kopex Group, serving the intention of building strong, specialized and product distinguished entities;
- ⇒ elimination entities from the Kopex Group through the sale of their shares / stocks, for which the rate of return on investment and business risks do not justify further continuation taken in the past capital investment in these entities;
- ⇒ elimination from entities the Group through the sale of their shares / stocks, in which entities the Issuer holds minority stakes and whose activity is not related to the "core business" of the Group;
- ⇒ elimination of selected companies from the Group through liquidation processes, e.g. companies that have not started the actual business or companies that do not promise a lasting improvement;
- ⇒ acquisition / acquiring stocks / shares in the new selected entities to strengthen the product offering of the Kopex Group and improve its competitiveness..

The Issuer informed about the implementation of these restructuring activities in the annual report for the year 2013 published on 30 April 2014.

To the date of publication of this report for the Q1 2013 in the reporting period the following significant changes described below occurred in the organizational structure of the Kopex Group companies:

1) Acquisitions of shares by KOPEX S.A. or by subsidiaries of the KOPEX S.A. Capital Group.:

a) forming the company Miilux Poland Sp. z o.o. and the acquisition by the company TAGOR S.A. 33% of the share capital:

On 11 October 2013 there was a trilateral cooperation agreement signed between: KOPEX S.A., Fabryka Maszyn i Urządzeń TAGOR S.A. (Issuer's subsidiary, hereinafter referred to as TAGOR S.A.) and Miilux Ltd (company belonging to Miilukangas Oy Group based in Raahе, Finland). The common intention of the parties is to take cooperation in the area of production of abrasion resistant steel, and the main purpose of signing the aforementioned cooperation agreement is to create a center of logistics and production, and prefabrication of metal sheets with abrasion resistant properties intended for customers from central and eastern Europe.

To achieve these objectives, the parties agreed, in the period up to January 2014, to conclude an agreement of a limited liability company under the name of "Miilux Poland", headquartered in Tarnowskie Góry. **Carrying out the above liability on 15 January 2014 the Parties entered into a new cooperation agreement, and established an agreement of a limited liability company „Miilux Poland” Sp. z o.o., z siedzibą w Tarnowskich Górach.**

The company „Miilux Poland” Sp. z o.o. shareholders are: "Miilux" Ltd (as majority shareholder), who took 5,360 shares, representing 67% of the share capital and the company "TAGOR" S.A., which acquired 2,640 shares, which represents 33% of the share capital of the new company

Expected benefits for the Kopex Group companies in respect to collaborating with Miilux Ltd are:

- restructuring of TAGOR SA by becoming independent from the downturn in the coal market in complementary product area
- more efficient use of a held resource technology and facilities in TAGOR SA, including the use of vacant space and the signing of contracts for services in the pre-production with "Miilux Poland"
- creating a process line of prefabrication of abrasion resistant metal sheet and components integrated with the production-core rationalizing and improving the production processes,
- achieving a better quality of products Kopex Group of companies by having access to cutting-edge technology of heat treatment, improving technical parameters and the life-span of the products, including mining machinery, mainly conveyors
- extending the remit of co-operation in the domestic and foreign markets for sheet metal and components with abrasion resistant properties
- reduction of procurement costs for abrasion resistant steel by the companies from Kopex Group.

The Management Board of Kopex SA believes that the first results due to signing of a cooperation agreement with Miilux Ltd will appear in the following years, beginning in 2014.

b) increase to 95% of capital involvement of "Kopex" SA in the subsidiary „KOPEX-Przedsiębiorstwo Budowy Szybów” S.A. based in Bytom:

As a result of the process of buying the shares held by former employees of the company „KOPEX-Przedsiębiorstwo Budowy Szybów” S.A. as confirmed by the Brokerage House on 20 January 2014 „KOPEX” S.A. became the owner of 4.430.476 shares of the company „KOPEX-Przedsiębiorstwo Budowy Szybów” S.A., which represents 95,0093% of the share capital. This action is in accordance with the approved plan, the organizational restructuring of the „KOPEX” S.A. Group and further planned actions to achieve 100% of capital involvement.

c) increase to 100% of the „KOPEX MACHINERY” S.A. capital involvement in its subsidiary „DOZUT-TAGOR” Sp. z o.o. based in Zabrze:

On 04.02.2014 the Extraordinary General Meeting of Shareholders of „DOZUT-TAGOR” Sp. z o.o. adopted a resolution on the approval to sell two shares of „DOZUT-TAGOR” Sp. z o.o. in favor of „KOPEX MACHINERY” S.A. On 05.03.2014 the relevant agreements have been signed under which these shares representing 0.02% of the share capital were passed on „KOPEX MACHINERY” S.A. On 12.03.2014 the District Court in Gliwice, X Economic Department of National Court Register made an entry on the acquisition of shares of „DOZUT-TAGOR” Sp. z o.o. by „KOPEX MACHINERY” S.A. and thereby achieved 100% capital commitment in the company. So far „KOPEX MACHINERY” S.A. held 99,98% of shares of „DOZUT-TAGOR” Sp. z o.o. There will be further restructuring activities continued of the companies with a similar profile of activity contained in the Kopex Group.

2) The processes of merging of the selected companies of "Kopex" S.A. Group

a) merging of KOPEX MACHINERY S.A. (acquiring company) and subsidiary Grupa Zarządzająca HBS Sp. z o.o. based in Katowice (the acquiree):

As part of its program of organizational restructuring of the "Kopex" SA Group companies, in order to simplify the corporate structure of the Kopex Group, the Extraordinary General Meeting of KOPEX MACHINERY S.A. based in Zabrze, on 20 January 2014 consented to the merger of: KOPEX MACHINERY S.A. based in Zabrze (acquiring company) and Grupa Zarządzająca HBS Sp. z o.o. based in Katowice (the acquiree) in accordance with the merger plan dated 29 November 2013 published in the Court and Economic Monitor dated 4 December 2013, number 238/2013 (4355), pos. 1730. These connection is made pursuant to art. 492 § 1 point 1) of the Commercial Companies Code, ie by transferring all assets of the

acquired company to the acquiring company (merger by acquisition) subject to the provisions of art. 516, § 6 of the Code of Commercial Companies, without increasing the share capital of the acquiring company, in accordance with the provisions of Art. 515 § 1 of the Commercial Companies Code, without making changes in the statute of the acquiring company. On 28.02.2014 the District Court in Gliwice, X Economic Department of National Court Register issued Order No: GL.X NS-REJ.KRS/2093/14/247, on the basis of which a formal entry of the merger of the two companies occurred.

3) Sale of shares by KOPEX S.A. or by other subsidiaries of the KOPEX Group, suspension of activities, or liquidation processes of the subsidiaries of the KOPEX Group that were undertaken within the framework of the restructuring and organising processes of the subsidiaries of the KOPEX Group:

a) Disposal by the subsidiary Hansen Sicherheitstechnik AG based in Munich / Germany of 50 % shares in the company Hansen Electric spol. s.r.o. based in Opava / Czech Republic;

At the request of the Board of HANSEN Sicherheitstechnik AG an Extraordinary General Meeting of Shareholders of HANSEN Sicherheitstechnik AG on 26.03.2014 passed a resolution to consent to the sale of 50% shares of Hansen Electric s.r.o. based in Opava / Czech Republic/ to the two individuals - the existing co-shareholders of the company. On 28.03.2014 the agreements were concluded on the sale of shares of Hansen Electric s.r.o. and thus the company is no longer part of the HANSEN Group and KOPEX Group. The core business of the company was the production of electric power equipment in explosion-proof enclosures. This action is consistent with the adopted plan of organizational and property optimization of the KOPEX S.A. Group companies.

4) Other events within the Group that occurred during the period from the date of the last periodic report to the publication date of this quarterly report:

a change of the company „KOPEX Electric Systems” S.A. to „Elgór+Hansen” S.A.:

On 29 January 2014 the Extraordinary General Meeting of „KOPEX Electric Systems” S.A. passed a resolution to change the company name „KOPEX Electric Systems” S.A. to „Elgór+Hansen” S.A. Changes in the company's entry in the National Court took place on 03.03.2014 on the basis of the District Court Katowice-East in Katowice, VIII Commercial Division of the National Court Register No.: KA.VIII NS-REJ.KRS/006373/14/192.

b) a change of the company „EL-GÓR” S.A. to „KOPEX Electric Systems” Spółka Akcyjna;

On 06.03.2014 the Extraordinary General Meeting of „EL-GÓR” S.A. at the request of the Management Board passed a resolution to change the company name „EL-GÓR” S.A. to „Kopex Electric Systems” S.A. Changes in the company's entry in the National Court took place on 20.03.2014 on the basis of the District Court Katowice-East in Katowice, VIII Commercial Division of the National Court Register No.: KA.VIII NS-REJ.KRS/008091/14/871.

Major investments in the Issuer's Capital Group financial and tangible assets for the Q1 2014 years shown in the following table:

	in PLN thou.
INVESTMENTS	VALUE
1. Machinery and equipment	32.842
2. New products	9.047
3. Buildings and real estate	3.238
4. Intangible assets	1.078
5. Acquisitions and takeovers	5
6. Other	851
Total	47.061

In the period of Q1 2014 the Capital Group suffered a depreciation costs of its inventory in the amount of PLN 37.282 thou. The investments were financed from their own Companies and with external sources of financing (bank credits).

15. IDENTIFICATION OF THE SHAREHOLDERS HOLDING DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARIES AT LEAST 5 PER CENT OF TOTAL VOTES AT THE GENERAL MEETING OF THE ISSUER ON THE DATE OF PUBLICATION OF THE QUARTERLY REPORT AND INDICATION OF THE CHANGES IN THE SHAREHOLDING STRUCTURE OF SUBSTANTIAL BLOCKS OF SHARES OF THE ISSUER SINCE THE PREVIOUS QUARTERLY REPORT

15.1. SHAREHOLDERS HOLDING DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARIES AT LEAST 5 PER CENT OF TOTAL VOTES AT THE GENERAL MEETING OF THE ISSUER ON THE DATE OF PUBLICATION OF THE QUARTERLY REPORT

The share capital of „KOPEX” S.A. amounts to PLN 74.332.538,00 and divides into 74.332.538 ordinary bearer shares with a nominal value of PLN 1.00 each, including:

- a) 19.892.700 ordinary bearer shares series A,
- b) 47.739.838 ordinary bearer shares series B, and
- c) 6.700.000 ordinary bearer shares series C.

There are no privileged shares to voting.

From 4 June 1998, the shares of "Kopex" SA are listed on the Stock Exchange - Gielda Papierów Wartościowych w Warszawie S.A. (KPX PLKOPEX00018, Industrial Machinery, Segment: 50 PLUS, Index: mWIG80)



According to the information held by the Issuer on the date of publication of the quarterly report, the following shareholders held directly or indirectly, at least 5 per cent of the total number of votes at the General Meeting of KOPEX S.A.:

SHAREHOLDER	Number of shares held	Percentage shareholding in the share capital of „KOPEX” S.A.	Total number of votes at the General Meeting	Percent of votes at the General Meeting
Krzysztof Jędrzejewski (with subsidiaries)	43 892 956 ¹⁾	59,05%	43 892 956	59,05%
TDJ S.A. (indirectly through subsidiaries)	7 433 000 ²⁾	9,99%	7 433 000	9,99%
Other shareholders – Free Float	23 006 582	30,96%	23 006 582	30,96%

Source: Company

Notice:

¹⁾ Total shareholding of „KOPEX” S.A. shares held by the majority Shareholder Mr. **Krzysztof Jędrzejewski** together with its subsidiaries (directly and indirectly), according to the last report of 19.11.2013 received by the Company and the Financial Supervision Authority from Mr. Krzysztof Jędrzejewski under Article 160 clause 1 item 1) of the Act on trading in financial instruments (current report No. 75/2013 of 19 November 2013), including:

- directly owns 43.310.175 of shares representing 58,27% in the share capital of the Company and entitling to 43.310.175 votes at the General Meeting and representing 58,27% of total votes..

²⁾ The Company TDJ S.A. based in Katowicach jointly held indirectly through its subsidiaries 7.433.000 shares of „KOPEX” S.A., representing 9,99% in the share capital of the Company and entitling to 7.433.000 votes at the General Meeting and representing 9,99% of total votes incl.:

- Company ZEH Sp. z o.o. based in Wieszow held directly 4.720.000 shares of „KOPEX” S.A., representing 6,35% in the share capital of the Company and entitling to 4.720.000 votes at the General Meeting and representing 6,35% of total votes;
- Company GALANTINE Sp. z o.o. based in Warszawa held directly 2.713.000 shares of „KOPEX” S.A., representing 3,64% in the share capital of the Company and entitling to 2.713.000 votes at the General Meeting and representing 3,64% of total votes.

The majority shareholder of the Company TDJ S.A. is Mr Tomasz Domogała, who indirectly through the above mentioned subsidiaries of TDJ S.A. owns 7.433.000 shares of „KOPEX” S.A., representing 9,99% in the share capital of the Company and entitling to 7.433.000 000 votes at the General Meeting and representing 9,99% of total votes.

The Issuer informed about the above mentioned changes in shareholding in the current reports No. 1/2014, 2/2014 and 3/2014 of 3 January 2014 and in the current report No. 5/2014 dated 8 January 2014, about changes in Kopex S.A. shareholding by ING OFE according to the received notifications under Article 160 clause 1 item 1) of the Act on Trading in Financial Instruments.

15.2. INDICATION OF CHANGES IN OWNERSHIP STRUCTURE OF SIGNIFICANT HOLDINGS IN THE PERIOD FROM THE PREVIOUS QUARTERLY REPORT

In the period since the previous quarterly report i.e. report QSR-4/2013 on 26 February 2014 to the date of this interim report, changes occurred in the ownership of shareholdings which the Issuer announced publicly in the current reports No. 1/2014, 2/2014 and 3/2014 of 3 January 2014 and in the current report No. 5/2014 of 8 January 2014 on change of Kopex SA shares ownership by ING OFE, namely:

- ING Otwarty Fundusz Emerytalny informed the Issuer in the notice of 07 January 2014, that as a result of the sale of the "Kopex" S.A. shares in the transactions made on the Gieldzia Papierów Wartościowych in Warsaw S.A. (Warsaw Stock Exchange), settled on 30.12.2013 became a shareholder of the Company "Kopex" SA, representing less than 5% of the total number of votes. Before the sale of shares of the Issuer, ING Otwarty Fundusz Emerytalny held 6.288.625 of common shares of Company „KOPEX” S.A. representing 8,46% of the share capital, entitling to 6.288.625 votes at the general meeting of shareholders of „KOPEX” S.A. and representing 8,46% of the total votes. According to the notice, on 7 January 2014, on the securities account of ING Otwartegę Fundusz Emerytalny

there were 1.568.625 of common shares of „KOPEX” S.A. representing 2,11% of the share capital, entitling to 1.568.625 votes at the general meeting of shareholders of „KOPEX” S.A. and representing 2,11% of the total votes.

- ZEH Spółka z o. o. Spółka komandytowo-akcyjna based in Wieszowa informed the Issuer in the notice of 03 January 2014, that it owns directly 4.720.000 ordinary bearer shares of the Issuer representing 6,3498% of the share capital of the Issuer entitling to 4.720.000 votes at the general meeting of the Issuer and representing 6,3498% of the total votes at the general meeting of the Issuer (acquisition of shares was a result of the transaction concluded on 18 December 2013, settled on 30 December 2013)
- TDJ S.A. based in Katowice informed the Issuer in the notice of 03 January 2014, that it owns indirectly by its subsidiaries 7.433.000 ordinary bearer shares of the Issuer, which shares constitute 9,9996% of the share capital of the Issuer entitling to 7.433.000 votes at the general meeting of the Issuer and representing 9,9996% of the total votes. Among the subsidiaries of TDJ S.A. the Issuer's shares are owned by ZEH Spółka z ograniczoną odpowiedzialnością Spółka komandytowo-akcyjna based in Wieszowa in the number of 4.720.000 ordinary bearer shares of the Issuer representing 6,3498% of the share capital of the Issuer entitling to 4.720.000 votes at the general meeting of the Issuer and representing 6,3498% of the total votes at the general meeting of the Issuer (acquisition of shares was a result of the transaction concluded on 18 December 2013, settled on 30 December 2013). In addition, the notice of TDJ S.A. shows that the Company GALANTINE Sp. z o.o. based in Warsaw owns directly 2.713.000 ordinary bearer shares of the Issuer representing 3,6498% of the share capital of the Issuer entitling to 2.713.000 votes at the general meeting of the Issuer and representing 3,6498% of the total votes.
- Mr Tomasz Domogała informed the Issuer in the notice of 03 January 2014, that he owns indirectly by his subsidiaries 7.433.000 ordinary bearer shares of the Issuer representing 9,9996% of the share capital of the Issuer entitling to 7.433.000 votes at the general meeting of the Issuer and representing 9,9996% of the total votes. . Among the subsidiaries of Tomasz Domogała the Issuer's shares are owned by ZEH Spółka z ograniczoną odpowiedzialnością Spółka komandytowo-akcyjna based in Wieszowa in the number of 4.720.000 ordinary bearer shares of the Issuer representing 6,3498% of the share capital of the Issuer entitling to 4.720.000 votes at the general meeting of the Issuer and representing 6,3498% votes at the general meeting of the Issuer and Company GALANTINE Sp. z o.o. z siedzibą w Warszawie that owns 2.713.000 ordinary bearer shares of the Issuer representing 3,6498% of the share capital of the Issuer entitling to 2.713.000 votes at the general meeting of the Issuer and representing 3,6498% of the total votes. ZEH Spółka z ograniczoną odpowiedzialnością Spółka komandytowo-akcyjna based in Wieszowa is a subsidiary of TDJ S.A. based in Katowice, in which Tomasz Domogała is the majority shareholder.

16. SPECIFICATION OF SHAREHOLDING OF THE ISSUER'S SHARES OR THE RIGHTS TO THE SHARES BY MEMBERS OF THE MANAGEMENT BOARD AND OF MEMBERS THE SUPERVISORY BOARD AS AT THE DAY OF ISSUE OF THE QUARTERLY REPORT, INCLUDING THE INDICATION OF CHANGES IN THE SHAREHOLDING SINCE THE ISSUE OF THE PREVIOUS QUARTERLY REPORT

16.1. SHAREHOLDING OF THE ISSUER'S SHARES OR THE RIGHTS TO THE SHARES BY MEMBERS OF THE MANAGEMENT BOARD AS AT THE DAY OF ISSUE OF THE QUARTERLY REPORT

Name	Position in the Management Board of „KOPEX” S.A.	Total number of „KOPEX” S.A. shares held	Changes in the shareholding of KOPEX S.A. shares since the latest quarterly report issue
Józef Wolski	President of the Board	No shares held	no change ¹⁾
Piotr Broncel	Member of the Board from 01.02.2014	No shares held	no change ¹⁾
Andrzej Meder	Member of the Board	No shares held	no change ¹⁾
Joanna Węgrzyn	Member of the Board	No shares held	no change ¹⁾

Source: Company

Note:

⇒ ¹⁾ no changes in the shareholding of the Issuer's shares since the publication of the latest quarterly report QSr-4/2013 on 26 February 2014

16.2 SHAREHOLDING OF THE ISSUER'S SHARES OR THE RIGHTS TO THE SHARES BY MEMBERS OF THE SUPERVISORY BOARD AS AT THE DAY OF ISSUE OF THE QUARTERLY REPORT

Name	Position in the Supervisory Board of „KOPEX” S.A.	Total number of „KOPEX” S.A. shares held	Changes in the shareholding of KOPEX S.A. shares since the latest quarterly report issue
Krzysztof Jędrzejewski	Chairman of the Supervisory Board	43.892.956 ¹⁾	no change ²⁾
Michał Rogatko	Vice-Chairman of the Supervisory Board	No shares held	no change ²⁾
Bogusław Bobrowski	Secretary of the Supervisory Board	No shares held	no change ²⁾
Andrzej Sikora	Member of the Supervisory Board	No shares held	no change ²⁾
Józef Dubiński	Member of the Supervisory Board from 20.02.2014	No shares held	no change ²⁾

Source: Company

Uwaga:

¹⁾ Total direct and indirect shareholding of KOPEX S.A shares together with subsidiaries (directly and indirectly) by Mr Krzysztof Jędrzejewski, incl. directly owned 43.310.175 shares representing 58,27% of the share capital of KOPEX S.A. and entitling to 43.310.175 votes at the general meeting of KOPEX S.A. which represents 58,27% of the total votes;

²⁾ the Issuer's shareholding **did not change** in the period since the previous quarterly report QSR-4/2013 on 26 February 2014

17. INFORMATION THAT ACCORDING TO THE ISSUER'S OPINION IS RELEVANT TO HIS AND TO THE SUBSIDIARIES' ASSESSMENTS, INCLUDING: PERSONNEL, PROPERTY, FINANCIAL RESULT AND THEIR CHANGES AS WELL AS INFORMATION THAT IS RELEVANT FOR ASSESSING FEASIBILITY OF THE OBLIGATIONS BY THE ISSUER AND ITS SUBSIDIARIES

SEPARATE RESULTS

Sytuacja kadrowa

Employment situation

Employment policy of KOPEX S.A. policy is closely related to the staffing policy of the Capital Group. Company's organizational structure has been adapted to its current needs, resulting from internal and external conditions.

Employment structure in the Company was as follows:

EMPLOYEES

	31.03.2014	31.12.2013
WHITE COLLAR WORKERS	228	221
BLUE COLLAR WORKERS	34	22
TOTAL	262	243

COMMENTARY ON THE FINANCIAL SITUATION

Value of the balance sheet sum at the end of Q1 2014 amounted to PLN 1.796.651 thou and compared to the end of 2013 it increased by PLN 61.720 thou, i.e. 3,6%. The main factors causing the increase of the balance sheet value were the increase of the value of current assets in the Group by PLN 67.051 thou, i.e. 25,3% (increase in stocks by 415,5%; increase in short-term receivables from deliveries and services by 53,1%; increase in other short-term receivables 6,4%; increase the value of short-term loans by 6,0%; increase in short-term lease receivables 5,3% increase in assets under contracts for construction services of 180,5%; an increase in cash of 8,4%) and a decrease in fixed assets of PLN 5.331 thou, i.e. 0,4% (a reduction of property, plant and equipment by 27,7%).

In the liabilities and shareholders' equity an increase in group equity has been noted by PLN 428 thou and a decrease of long-term liabilities by PLN 5.407 thou, i.e. 13,4% (z reduction in the value of long term loans by 16,7%) and an increase in short-term liabilities by PLN 66.699 thou, i.e. 26,9% (an increase in the value of loans and short term loans by 1,2%, an increase in current liabilities from deliveries and services by 48,3%, increase in other current liabilities by 54,0%, an increase in accruals by 5,0%).

SEPARATE INCOME STATEMENT

In Q1 2014 the Issuer's sales revenues amounted to PLN 87.485 thou and were lower, in comparison to the same period of 2013 by PLN 72.698 thou i.e. 45,4%.

In the period January to March 2014 the Issuer's revenues from export sale amounted to PLN 81.751 thou, incl.:

- Sales of mining machinery and equipment to Argentina, Bosnia and Hercegovina, China, Romania, Serbia, Turkey and Ukraine amounting to PLN 65.193 thou;
- Sales of bulk raw materials (coal) in the amount of PLN 9.825 thou to Austria, Spain, Slovakia and Sweden;
- Mining services in amount of PLN 6.676 thou implemented in France and Turkey;
- Other services in Germany and Bosnia and Hercegovina in amount of PLN 57 thou.

In the period January – March 2014, the Issuer earned revenues from sales in Poland amounting to PLN 5.734 thou, including:

- Sales of mining machinery and equipment amounting to PLN 738 thou;
- Sales of coal amounting to PLN 354 thou;
- other sales in amount of PLN 4.642 thou (lease, rental, accounting, financial services, information services, logistics services, internal control).

Gross profit on sales in Q1 2014 amounted to PLN 8.813 thou, compared to the result obtained in the same period of 2013 it increased by PLN 6.740 thou.

In Q1 2014 cost of sales amounted to PLN 2.211 thou. - its level is by PLN 1.176 thou higher in comparison with the same period of 2013.

In Q1 2014 the overhead expenses amounted to PLN 6.907 thou – and they were by PLN 832 thou higher in comparison with the same period of 2013.

Other income and expenses and profits (losses) in the reporting period are as follows (PLN thou):

- other income:

	I Q 2014	I Q 2013
Grants	290	6
Reversal of provisions from previous years	286	-
Damages, penalties, reimbursement of legal costs	279	35
Termination of impairment of asset revaluation	25	54
Other	17	3
TOTAL	897	98

- other costs

	I Q 2014	I Q 2013
Court costs, substitution process, penalties, damages	273	214
Receivables written off	171	-
Other	12	73
TOTAL	456	287

- other profit (loss)

	I Q 2014	I Q 2013
The result on foreign exchange transactions (for which no hedge accounting is carried out)	2	-233
Valuation of foreign currency transactions (for which no hedge accounting is carried out)	-	-993
Foreign exchange differences (except credit and loan)	403	3.406
Result from the sale and disposal of fixed assets	4	5
Revaluation of investments (valuation of loans, long-term accounts, shares)	-573	327
Other	-	-198
TOTAL	-164	2.314

In the period January – March 2014 roku the Company has obtained a negative operating result of PLN 28 thou.

Financial income and expenses in the reporting period are as follows (PLN thou):

- financial income:

	I Q 2014	I Q 2013
Interest	2.684	3.913
Positive balance of exchange rates	350	1.107
Other including:	2.709	1.876
• fees for providing limits ,suretys granted	2.557	1.871
• release of write downs on financial receivables	145	-
• release of provisions for liabilities	-	5
• other	7	-

TOTAL	5.743	6.896
• financial expenses:		
	I Q 2014	I Q 2013
Interest	1.798	4.290
Negative balance of exchange rates	-	-
Other including:	702	1.712
• commissions on sureties, guarantees, loans	639	1.712
• impaired financial receivables	63	-
TOTAL	2.500	6.002

In the period January to March 2014 the Issuer obtained a positive balance on financial activities of PLN 3.243 thou.

For the period of Q1 2014 the Issuer generated a net profit amounting to PLN 2.179 tys. zł.

Possibility of paying liabilities

Economic and financial situation of the Company is reflected in financial liquidity indices, as below:

	31.03.2014	31.12.2013
• current liquidity	1,12	1,15
• quick liquidity	1,09	1,15
• cash liquidity	0,08	0,09

The current level of liquidity ratios does not indicate a risk of losing the capability of paying the current liabilities.

CONSOLIDATED RESULTS

EMPLOYMENT SITUATION

Employment situation in the KOPEX S.A. Capital Group is as follows:

EMPLOYEES

	31.03.2014	31.12.2013
WHITE COLLAR WORKERS	1.715	1.696
BLUE COLLAR WORKERS	3.324	3.381
TOTAL	5.039	5.077

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 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.

- The mining segment include:
 - mining services,
 - manufacture and sale of underground mining machinery and equipment,
 - manufacture and sale of open cast mining machinery and equipment,
 - manufacture and sale of electrical and electronic machinery and equipment
 - castings.

Other operating segments:

- manufacture and sale of industrial machinery and equipment,
- sale of coal,
- other activities.

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.

Na 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.

INFORMACJE O SKONSOLIDOWANYCH SEGMENTACH OPERACYJNYCH W PODZIALE BRANŻOWYM

PLN THOU

	Mining		Manufacture and sale of industrial machinery and equipment		Sale of coal		Other activities		Eliminations from consolidation		Consolidated value	
	I Q 2014	I Q 2013	I Q 2014	I Q 2013	I Q 2014	I Q 2013	I Q 2014	I Q 2013	I Q 2014	I Q 2013	I Q 2014	I Q 2013
CONTINUED OPERATIONS												
Total revenues of the segment	447 488	478 359	5 389	2 392	10 179	3 632	33 920	27 292	-119 693	-184 270	377 283	327 405
Segment revenues from external clients	341 409	300 136	5 384	2 391	10 179	3 632	20 311	21 246	-	-	377 283	327 405
Revenue between segments	-	-	-	-	-	-	13 608	6 046	-13 608	-6 046	-	-
Result of the segment- gross result from sale	69 283	41 809	977	-337	619	161	5 075	2 539	-	-	75 954	44 172
Operating result of the segment	34 744	17 260	-437	-818	88	75	550	1 166	-	-	34 945	17 683
Result on financial activities of the whole group											-3 243	-6 372
Share in profit (loss) of the subordinated entities valuated with the equity method											3 444	3 050
Gross profit											35 146	14 361
Income tax											9 097	4 772
Net consolidated profit from continued operations											26 049	9 589
Net consolidated profit from discontinued operations											68	596
Total net consolidated profit											26 117	10 185
Net profit (loss) contributable to non-controlling shareholders											228	444
Net profit contributable to the parent company's shareholders											25 889	9 741
incl:												
- from continued operations											25 821	9 145
- from discontinued operations											68	596

INFORMATION ON CONSOLIDATED REVENUES BY GEOGRAPHICAL DESTINATIONS

PLN THOU

	Mining		Manufacture and sale of industrial machinery and equipment		Sale of coal		Other activities		Consolidated value	
	I Q 2014	I Q 2013	I Q 2014	I Q 2013	I Q 2014	I Q 2013	I Q 2014	I Q 2013	I Q 2014	I Q 2013
SOUTH AFRICA	10 151	6 119	-	-	-	-	-	-	10 151	6 119
ARGENTINA	80 198	48 572	-	-	-	-	-	-	80 198	48 572
AUSTRALIA	4 562	7 800	-	-	-	-	227	269	4 789	8 069
AUSTRIA	20	-	-	-	1 272	-	-	-	1 292	-
BOSNIA	21 521	42 534	-	-	-	-	52	-	21 573	42 534
CHINA	2 726	4 347	-	-	-	-	298	82	3 024	4 429
CZECH REPUBLIC	15 631	12 047	626	-	-	-	19	166	16 276	12 213
FRANCE	3 855	2 727	-	-	-	-	33	-	3 888	2 727
SPAIN	5	17	-	-	4 038	1 433	-	-	4 043	1 450
GERMANY	4 710	6 358	5	2 070	-	-	707	120	5 422	8 548
NORWAY	-	1 253	-	-	-	857	853	-	853	2 110
POLAND	184 359	106 617	4 280	-	353	-	16 273	19 168	205 265	125 785
RUSSIA	6 138	55 170	-	-	-	-	1 731	1 278	7 869	56 448
SERBIA	1 300	1 532	379	321	-	-	118	163	1 797	2 016
SLOVAKIA	-	13	-	-	1 199	1 342	-	-	1 199	1 355
SWEDEN	434	99	-	-	3 317	-	-	-	3 751	99
TURKEY	3 047	4 237	-	-	-	-	-	-	3 047	4 237
UKRAINE	1 520	-	-	-	-	-	-	-	1 520	-
OTHER	1 232	694	94	-	-	-	-	-	1 326	694
Total sale	341 409	300 136	5 384	2 391	10 179	3 632	20 311	21 246	377 283	327 405

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 37.728 thousand or more

For the period January to March 2014 quantitative criterium defining the major client, was fulfilled with three counterparties. revenues from major client amounted to PLN 53.033 thousand and were realised in the mining segment. There are no formal connections between KOPEX S.A. and that major client. Revenues from the second major client amounted to PLN 53.010 thousand and were realised in the mining segment. There are no formal connections between KOPEX S.A. and that major client. Revenues from the third major client amounted to PLN 40.951 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 93,7% located in the country of origin of the Parent Company.

COMMENTARY ON THE FINANCIAL SITUATION

In Q1 2014 the consolidated net revenues from sales of products, goods and materials of the Capital Group amounted to PLN 377.283 thou. The results are better than the results of the Capital Group generated in the same period of 2013. There was an increase in net revenue of PLN 49.878 thou, i.e. 15,2%.

MINING Industry structure of net sales of the products, goods and materials:

PLN THOU

	Mining services		Underground mining machinery and equipment manufacture and sales		Open cast mining machinery and equipment manufacture and sales		Electrical and electronic machinery and equipment manufacture and sales		Castings	
	I Q 2014	I Q 2013	I Q 2014	I Q 2013	I Q 2014	I Q 2013	I Q 2014	I Q 2013	I Q 2014	I Q 2013
Total segment revenue	86 721	80 022	298 033	341 987	13 843	8 840	36 762	37 355	12 129	10 155
Segment revenue from external customers	85 878	76 360	207 137	187 712	13 114	8 840	30 800	23 156	4 480	4 068
Segment results - gross profit on sales	12 950	14 051	47 972	21 078	-738	-2 714	7 083	8 696	2 016	698
Operating income of the segment	8 167	10 009	27 693	8 582	-5 063	-5 734	3 191	4 853	756	-450

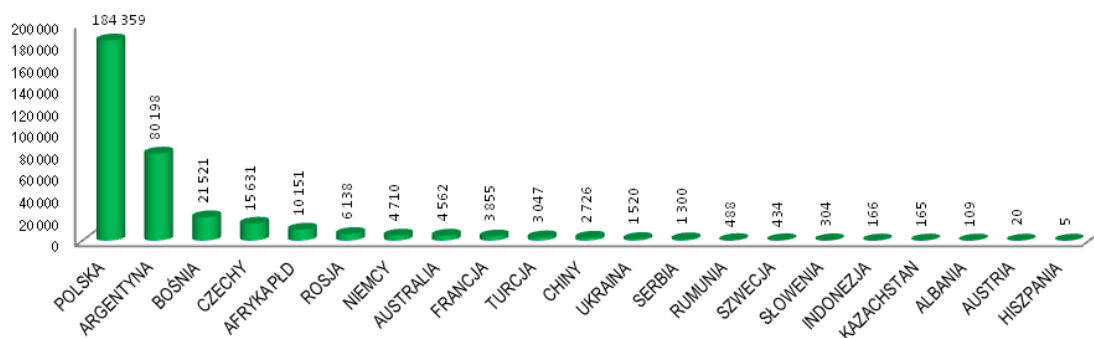
Geographical breakdown of revenues from sales in MINING segment:

PLN THOU

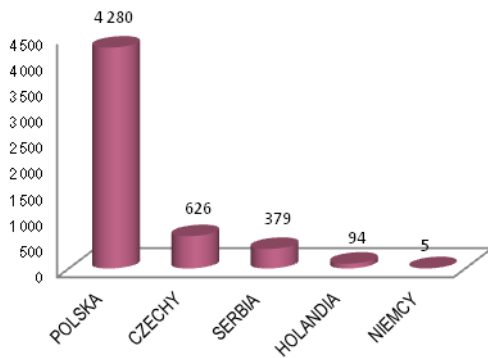
	Mining services		Underground mining machinery and equipment manufacture and sales		Open cast mining machinery and equipment manufacture and sales		Electrical and electronic machinery and equipment manufacture and sales		Castings	
	I Q 2014	I Q 2013	I Q 2014	I Q 2013	I Q 2014	I Q 2013	I Q 2014	I Q 2013	I Q 2014	I Q 2013
SOUTH AFRICA	-	-	-	-	-	-	10 151	6 119	-	-
ARGENTINA	-	-	80 198	48 572	-	-	-	-	-	-
AUSTRALIA	-	-	4 562	7 800	-	-	-	-	-	-
AUSTRIA	-	-	-	-	-	-	-	-	20	-
BOSNIA	-	-	21 341	42 467	-	-	-	-	180	67
CHINA	-	-	2 726	4 347	-	-	-	-	-	-
CZECH REPUBLIC	-	7 190	13 004	2 812	-	-	2 627	2 045	-	-
FRANCE	3 855	2 727	-	-	-	-	-	-	-	-
SPAIN	-	-	5	-	-	-	-	17	-	-
GERMANY	882	796	-	194	863	4 296	2 965	1 072	-	-
NORWAY	-	-	-	-	-	1 253	-	-	-	-
POLAND	78 154	61 133	77 107	26 601	12 169	3 291	14 280	13 324	2 649	2 268
RUSSIA	-	-	5 795	54 703	-	-	343	467	-	-
SERBIA	-	-	-	-	82	-	-	-	1 218	1 532
SLOVAKIA	-	-	-	-	-	-	-	13	-	-
SWEDEN	-	-	-	-	-	-	434	99	-	-
TURKEY	2 821	4 237	226	-	-	-	-	-	-	-
UKRAINE	-	-	1 520	-	-	-	-	-	-	-
OTHER	166	277	653	216	-	-	-	-	413	201
Total sale	85 878	76 360	207 137	187 712	13 114	8 840	30 800	23 156	4 480	4 068

Geographical breakdown of revenues from sales in specific segments in the period Q1 2014 are shown in the diagrams below [in PLN thou]:

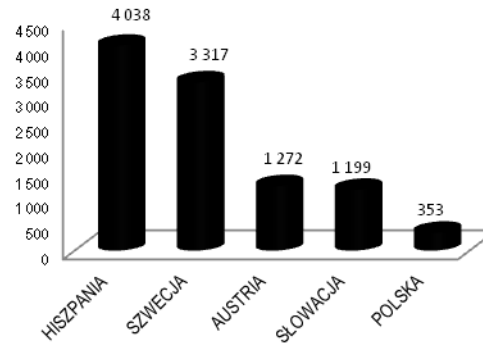
Mining
Share in total sales 90,5%



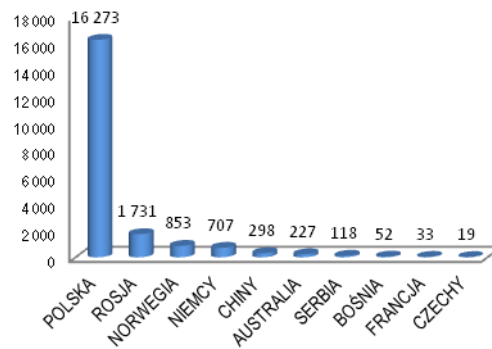
Industrial machinery and equipment
share in total sale amounted to 1,4%



Sale of coal
share in total sale amounted to 2,7%



Other sale
share in total sale amounted to 5,4%



In Q1 2014 the consolidated gross profit amounted to PLN 75.954 tys. zł., 003 thou and in comparison with the result earned in the same period of 2013 it increased by PLN 31.782 thou i.e. by 72,0%.

In Q1 2014 selling costs amounted to PLN 10.605 thou - and they were by PLN 3.708 thou higher in comparison with the same period of 2013.

In Q1 2014 the overhead expenses amounted to PLN 34.882 thou - their level was higher by 4.314 ou, in comparison with the same period of 2013.

Other revenues and expenses incurred in the period Q1 2014 are shown in the table below [in PLN thou]:

• other revenues:

	I Q 2014	I Q 2013
Dissolution of write downs on assets	2.105	433
Damages, penalties and legal costs	549	490
Grants	315	65
Dissolution of reserves from previous years	256	-
Barred liabilities	2	15
Other	306	285
TOTAL	3.533	1.288

• other expenses:

	I Q 2014	I Q 2013
Penalties, court costs, damages	921	280

Scrapping current assets	488	433
Maintenance cost of social facilities	302	242
Receivables written off	173	-
Annuities countervailing	17	99
Established reserves	-	431
Other	428	455
TOTAL	2.329	1.940

- other profit (loss)

	I Q 2014	I Q 2013
The result on foreign exchange transactions (for which no hedge accounting is performed)	286	-233
Valuation of foreign currency transactions (for which no hedge accounting is carried out)	-315	566
Foreign exchange differences (except credit and loan)	1.769	9.328
Sale and disposal of fixed assets	549	2.172
Sale of financial assets	1.564	-
Revaluation of investments (valuation of loans, long-term accounts, shares)	-583	179
Other	4	-384
TOTAL	3.274	11.628

In Q1 2014 the Capital Group earned operating profit amounting to PLN 34.945 thou, it increased by 17.262 thou

Financial revenues and expenses during the reporting period are shown in the table below [PLN thou]:

- financial revenues:

	I Q 2014	I Q 2013
Interest	2.757	5.696
Other including:	239	-
- release of reserves for financial costs	148	-
- other	91	-
TOTAL	2.996	5.696

- financial costs:

	I Q 2014	I Q 2013
Interest	5.697	11.199
Other including:	542	869
• commissions on sureties and guarantees	308	-
• impairment losses on receivables	21	22
• bank fees	-	313
• other	213	534
TOTAL	6.239	12.068

S Financial situation of the Capital Group has been reflected in the liquidity indices, as below:

	31.03.2014	31.12.2013
• current liquidity index	1,46	1,44
• quick liquidity index	1,08	1,06
• cash liquidity index	0,10	0,11

The current level of liquidity indices do not indicate a risk of losing the capability of paying the current liabilities.

Net financial result of the Capital Group was established at the level of revenues and costs of individual entities included in the Group, excluding revenues and costs of unrealised profits between the consolidated entities.

For the period Q1 2014 consolidated gross profit amounted to PLN 35.146 thousand.

For the Q1 2014 the Group earned net profit attributable to the shareholders of the parent company in the amount of PLN 25.889 thou, including PLN 25.821 thou from continued operations and PLN 68 thou from discontinued operations.

FINANCIAL SITUATION

Value of the consolidated balance-sheet sum at the end of the Q1 2014 amounted to PLN 3.528.818 thou in relation to the end of 2012 it increased by PLN 53.553 thou, i.e. 1,5%. The main factor for increasing the balance-sheet sum was an increase in the value of assets by PLN 64.630 thou, i.e. 5,8%. (increase in inventories by 4,3%; an increase in short-term receivables from deliveries and services by 6,6%; increase in other short-term receivables by 8,6%; increase in assets under contracts for construction services by 24,3%). The liabilities and shareholders' equity recorded an increase in group equity by PLN 27.428 thou, i.e. 1,1% and a decline in the value of long-term liabilities by PLN 16.911 thou, i.e. 13,8% (reduction of long term loans by 18,7%; reducing long-term lease obligations by 17,8%) and growth in current liabilities by PLN 43.036 thou i.e. 5,1% increase in short-term liabilities from deliveries and services by 17,5%; increase in other current liabilities by 8,4%; an increase in short-term provisions for employee benefits by 29,4% and an increase in short-term accruals by 15,2%).

18. CONCISE DESCRIPTION OF SIGNIFICANT ACHIEVEMENTS OF FAILURES IN THE PERIOD COVERED BY THIS REPORT, INCLUDING A LIST OF ITS MOST IMPORTANT EVENTS

During the reporting period the Issuer and its subsidiaries conducted statutory economic activities.

Companies included in the Capital Group also signed number of commercial contracts during the reporting period, of which the most important are as follows:

- On 4 February 2014 two contracts were signed with the company Zakłady Mechaniczne Bumar - Łabędy S.A. based in Gliwice, with Parties: KOPEX S.A. – as a Seller and Zakłady Mechaniczne Bumar - Łabędy S.A. – as the Buyer. The subject of the agreement is "Supply of complete longwall system, as well as spare parts, trainings and technical assistance during the assembly and commissioning of the equipment and on its operation during the first 6 months, as well as delivery of technical documentation for the final recipient in Argentina". The contract amounts to EUR 33.950.000,00 gross i.e. PLN 143.863.125,00 according to the average exchange rate published by the NBP on 03 February 2014. The subject of second contract is: „Delivery of two roadheaders type KTW-200/1 with together with the power supply equipment and transporting equipment as well as spare parts, trainings and technical assistance during the assembly and commissioning of the equipment and on its operation during the first 6 months, as well as delivery of technical documentation for the final recipient in Argentina". The Contract amounts to: EUR 22.490.000,00 gross i.e., PLN 95.301.375,00 according to the average exchange rate published by the NBP on 03 February 2014. The final recipient of both deliveries is coal mine Yacimiento Carbonifero Rio Turbio in Argentina.
- On 14 February 2014 there has been an annex signed to the agreement with the French company Mines de Potasses d'Alsace S.A. based in Wittelsheim, France (hereinafter referred to as MDPA), concluded on 26 January 2007 which subject was: „Post-excavation maintenance of mining installations and mining plant closure." Implementation of the agreement currently covers: - operation maintenance of underground and surface mining installations of mining plant, currently under closure, in Wittelsheim as well as maintenance of mining equipment given at the disposal of the Issuer by the MDPA, - building insulation dams in the operation area and liquidation of shafts Joseph and Else. The annex signed on 14 February 2014 extends the period of its implementation to 30 June 2021 with the possibility of renewal for further annual periods. Value of works covered by the annex amounts to: net EUR 21.732.291,99 i.e. PLN 90.254.208,63 according to the average exchange rate published by the NBP on 14 February 2014.
- On February 19, 2014 the Issuer has received information on the basis of which it states that the Issuer and the Issuer's subsidiaries during the period from 20 February 2013 concluded number of contracts with Jastrzębska Spółka Węglowa S.A. based in Jastrzębie-Zdrój which total value exceeds 10% of the equity of the Issuer as of the last quarterly report published by the Issuer (QSR-4 on 26 February 2014). The value of the Issuer's equity underlying criterion is PLN 1.429.024 thousand. The total value of contracts concluded with Jastrzębska Spółka Węglowa S.A., of which the Issuer received information, in the period from 20 February 2013 to 20 February 2014 amounts to PLN 165.444.039,14 net. The highest value contract of the contained in the aforementioned period is the contract dated 26.04.2013 received on 30.04.2013, parties to the agreement are: Jastrzębska Spółka Węglowa S.A.; Kopalnia Węgla Kamiennego „Budryk” – the Purchaser and the Consortium which includes KOPEX - Przedsiębiorstwo Budowy Szybów S.A. (Issuer's subsidiary) as the Leader and Przedsiębiorstwo Robót Specjalistycznych „Wschód” S.A. as a consortium member - appearing together as a Contractor.
The subject of the aforementioned agreement are: Mining operations associated with the implementation of the storage reservoir, the reservoir chamber, reconstruction of the chute trench to the skip and the loading chamber on the level 1090 in JSW SA KWK „Budryk”. The contract value is: PLN 32.995.003,09 net + VAT. Estimated salary of the company KOPEX - Przedsiębiorstwo Budowy Szybów S.A. under the terms of the Consortium Agreement is approximately 50% of the amount PLN 32.995.003,09 net, i.e. PLN 16.497.502 net, plus a commission of about PLN 329.950 net, i.e. ca. PLN 16.827.452 net +VAT.
- On 20 February 2014 the Issuer has received information about the signing by KOPEX - Przedsiębiorstwo Budowy Szybów S.A. in Bytom (Issuer's subsidiary) Annex dated 02.18.2014 to the significant agreement dated 30.07.2009 concluded between: KOPEX - Przedsiębiorstwo Budowy Szybów S.A. – Contractor and Jastrzębska Spółka Węglowa S.A. - Purchaser, the subject of which is implementing the shaft pipe and bilateral shaft inlet in 1 BZIE in JSW S.A. The Annex applies to changes in unit prices sinking and the implementation of additional and complementary works. Accordingly, the parties agreed that the total value of the contract, was increased by the amount of PLN 3.115.412,04 net i.e. to the total value of PLN 240.740.793,59 net + VAT.
- On March 4, 2014 the Issuer has received information according to which it states that the Issuer and the Issuer's subsidiaries, in the period from 2 August 2013 concluded number of contracts with Kompania Węglowa S.A. based in Zdrój which total value exceeds 10% of the equity of the Issuer as of the last published by the Issuer's quarterly report QSR-4 on 26 February 2014). The value of the Issuer's equity underlying

criterion is PLN 1.429.024 thousand. The total value of contracts concluded with Kompanią Węglową S.A. of which the Issuer received information, in the period from 2 August 2013 to 4 March 2014 amounts to PLN 161.872.028,55 net. The highest value contract of the concluded in the aforementioned period is the contract dated 20.11.2013 signed on 12.9.2013 which parties are: Kompania Węglowa S.A. - as Purchaser andz KOPEX MACHINERY S.A. (Issuer's subsidiary) - as Contractor. The subject of the aforementioned agreement is the supply of spare parts for scraper conveyors produced by RYFAMA to Oddziały Kompanii Węglowej S.A. in the years 2013-2014. The value of the agreement amounts to: PLN 22.923.455,62 net + VAT.

- On 27.03.2014r. the Issuer has received information according to which it states that the Issuer and the Issuer's subsidiaries, in the period from 21 November 2013 concluded number of contracts with ING Lease (Polska) Sp. z o.o. based in Warsaw which total value exceeds 10% of the equity of the Issuer as of the last published by the Issuer's quarterly report QSr-4 on 26 February 2014). The value of the Issuer's equity underlying criterion is PLN 1.429.024 thousand. The total value of contracts concluded with ING Lease (Polska) Sp. z o.o., of which the Issuer received information, in the period from 22 November 2013 to 27 March 2014 amounts to PLN 171.753.829,61 net. The highest value contract of the concluded in the aforementioned period is the financial lease agreement, dated 21.03.2014, and received on 27.03.2014 of which the parties are: ING Lease (Polska) Sp. z o.o. - as the Financing party and KOPEX MACHINERY S.A. (Issuer's subsidiary) – as the Beneficiary. The subject of the aforementioned agreement is the lease of the complete mining complex with equipment. Net value of the equipment is: PLN 84.253.829,61 (entry fee, payments of principal + interest). Object of the lease will be purchased by the Financing Party from KOPEX MACHINERY S.A.
- On 19 April 2014 the Issuer has received information about the signing by KOPEX - Przedsiębiorstwo Budowy Szybów S.A. in Bytom (Issuer's subsidiary) an Annex dated 03.04.2014 to the significant agreement dated 30.07.2009, concluded between: KOPEX - Przedsiębiorstwo Budowy Szybów S.A. – Contractor and Jastrzębska Spółka Węglowa S.A. - Purchaser, the subject of which is implementing the shaft pipe and bilateral shaft inlet in 1 BZIE in JSW S.A.. KWK Borynia-Zofiówka-Jastrzębie Ruch Zofiówka. The Annex applies to changes in the value of the contract in relation to the indexation of wages. Accordingly, the parties agreed that the total value of the contract, was increased by the amount of PLN 924.902,66 net i.e. to the total value PLN 241.665.696,25 net + VAT.
- On 10 April.2014 the Issuer has received information about the signing by KOPEX Machinery S.A. in Zabrze (Issuer's subsidiary) an Annex dated 03.03.2014 to the significant agreement concluded with Kompania Węglowa S.A. for „lease of mining shearer type KSW-880EU in KWK Knurów-Szczygłowice, along with protection warranty service and maintenance throughout the service life”, of which the Issuer informed in current report No 127/2012 dated 12.10.2012. The parties of the signed Annex are KOPEX Machinery S.A. as the Lessor and Kompania Węglowa S.A. „Oddział KWK „Knurów-Szczygłowice” as the Lessee. Under this Annex the value of the contract was changed and it increased from the amount of PLN 1.956.178,86 net up to the amount of PLN 2.406.403,86 net, also the lease period was extended from 487 days to 602 days. Other terms and conditions remain unchanged.
- The Management Board of KOPEX S.A. in Katowice (the Issuer) informs that the Issuer and the Issuer's subsidiaries during the period from 16.04.2013 to 15.04.2014 concluded number of contracts with Katowicki Holding Węglowy S.A. in Katowice which total value exceeds 10% of the equity of the Issuer as of the last quarterly report published by the Issuer (QSr-4 on 26 February 2014). The value of the Issuer's equity underlying criterion is PLN 1.446.993 thou. The total value of contracts concluded with Katowicki Holding Węglowy S.A., of which the Issuer received information, in the period from 16.04.2013 to 15.04.2014 amounts to PLN 160.128.105,85 net. The highest value contract of the concluded in the aforementioned period is the Framework agreement for the sale of coal dated 11.04.2014, received on 15.04.2014, to which the parties are Katowicki Holding Węglowy S.A. – as the Seller and KOPEX S.A. – as the Buyer. The object of the above-mentioned agreement is the sale of coal, which the Issuer buys with the intention of resale, both domestically and outside the Polish territories to domestic and foreign customers. In the Annexes no 1 and no 2 to the aforementioned agreement dated 11.04.2014 and received together with the agreement on 15.04.2014 the Parties agreed conditions of resale of coal by the Buyer for an agreed recipient of the national and foreign market. The total value of the contract in terms of the amount of coal contracted in the content of the agreement and the above-mentioned Annexes 1 and 2 relating to deliveries in the period from April to August 2014 amounts to PLN 26.999.942,00 net + VAT, including the amount for the domestic recipient PLN 22.884.962,00 and for the foreign market: PLN 4.114.980,00. Pursuant to the provisions of the framework agreement, this value can be increased in the event of receipt of further orders by the Purchaser during the period from September to December 2014 - after obtaining further customers.

All relevant information for 2014 are available on KOPEX S.A. website at: <http://www.kopex.com.pl/idm.3336.biezace.html>

19. DESCRIPTION OF FACTORS AND EVENTS, IN PARTICULAR OF UNUSUAL NATURE HAVING A SIGNIFICANT INFLUENCE ON THE FINANCIAL RESULTS EARNED

Significant risks and threats are presented in SWOT analysis below:

CHANCES	THREATS
<ul style="list-style-type: none"> • Growth in demand for complex supplies and services resulting from the development of underground mining in Poland and abroad; • Interest in underground and open-cast mining in several global markets; • Interest in feasibility study projects for mining industry; • Demand for mining services, also associated with mining of extraction of salt and other minerals; • A significant increase in quality of Polish industrial products and their attractive price; • Greater openness of Polish enterprises to activities in the global markets; • Increase in expenditures and requirements for environmental protection; • Implementation of the program to optimize asset management and production processes. 	<ul style="list-style-type: none"> • Rapid consolidation processes of the major competitors of the Company; • Severe lack of specialists in typical industrial occupations; • Necessity of significant pre-financing, resulting from a very long time of return of investment in manufacture, supply and commissioning of the systems sold • Strengthening positions of competitive Polish and foreign companies; • Increasing competition in the world and domestic markets • Risk of executing works in the changing mining and geological conditions; • Delays in execution of certain contracts; • W High demands to enter certain markets; • Increased costs associated of renewal of the machinery fleet • Limits of use of the manufacture capacities; • Significant and unpredictable fluctuations in exchange rates;
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Access to production facilities providing complex commercial offers • Recognised position and trademark of the Company in Poland and abroad • Entry new sales markets, requiring advanced technologies • Geographical diversification of products and services offered • Stability of cooperation with customers • Stable financial situation • Vast experience in running large investment projects all over the world; • Diversified portfolio of products and services offered • Good orientation in demand of foreign customers and in manufacture capabilities of the Polish mining engineering industry • Experience in obtaining financing and building of trade finance for investment projects; • Experience in effective reducing exchange rate risk.; • Favourable ratio of debt to assets; • Diversification of financial institutions dealing with the Group. 	<ul style="list-style-type: none"> • Dissipation of the Company's assets • Too low potential of the reserve personnel of the projects executed abroad • Significant dependence of the revenues from demand in the coal mining industry. • The relatively long time of inventory and trade receivables turnover.

THE ISSUER - INTEREST RATE RISK

KOPEX S.A. finances its operations using loans bearing interest at a variable interest rate WIBOR 1M + margin. In order to minimize interest rate risk Kopex SA transformed variable interest cash flows on a permanent basis, comprising on 07.02.2013 an IRS transaction. Denomination transactions of PLN 100 mln, the period 30.06.2014 to complete the transaction.

CURRENCY RISK – THE ISSUER

The Company is exposed to currency risk mainly due to core activities such as sale and purchase of goods and services in foreign currencies (primarily in EUR and USD).

Foreign exchange forward contracts are the main financial instruments hedging currency risk. To reduce the currency risk in accordance with the strategy adopted by the Board, the procedure of actual cash flow hedge is applied.

The Company does not conclude speculative transactions

In 2005 KOPEX S.A. adopted the " Currency risk and interest rate hedging strategies ", according to which signing a commercial contract, currency risk hedging transactions are concluded, i.e.in relation to the exchange rate adopted in the offer's calculation. In case of contracts for trading in coal or electricity, they are concluded upon placing an order shipment or purchase of energy.

The Company applies hedge accounting (detailed description in accounting policies), and natural hedging.

As at 31.03.2014 the Company had open hedging foreign currency items in the following amounts:

- USD 2.150 thou
- EUR 54.411 thou

As at 31.03.2014 the fair value of the aforesaid transactions was estimated at a total amount of PLN:

8.749 thou, of which PLN 1.638 thou were realised hedging transactions held in equity until the hedged forecast transaction incident, and PLN 7.111 thou were unrealised transactions accounted for by valuation models used by banks in which the transactions were included.

The fair value of PLN 8.749 thou consist of:

- the amount of PLN 4.404 thou (This amount includes PLN 1.638 thou of the realised transactions and PLN 2.766 thou of the unrealised transactions) was recognised as revaluation of equity,
- the amount of PLN 4.345 thou in the income statement. (This amount includes PLN 1.594 thou of the transactions for which hedge accounting is conducted).

As at 31.03.2014 there was a positive valuation the Company's hedging transactions made by the banks based on the following spot rates: USD 3,0344; EUR 4,1713.

CURRENCY RISK – THE CAPITAL GROUP

Companies of the Capital Group are exposed to currency risk, mainly resulting from their core activities, i.e. sale and purchase of goods and services in foreign currencies (primarily in EUR, USD and CZK).

The main financial instruments hedging currency risk are foreign exchange forward contracts and options.

To reduce the currency risk in accordance with the strategy adopted by the Group, actual cash flow hedge procedure is applied. The Group does not conclude speculative transactions. In 2005 KOPEX S.A. adopted the " Currency risk and interest rate hedging strategies ", according to which signing a commercial contract, currency risk hedging transactions are concluded, i.e. in relation to the exchange rate adopted in the offer's calculation. In case of contracts for trading in coal or electricity, they are concluded upon placing an order shipment or purchase of energy.

The Company applies hedge accounting (detailed description in accounting policies), and natural hedging.

As at 31.03.2014 the Group had open hedging foreign currency items in the following amounts:

- USD 2.150 thou
- EUR 59.537 thou
- AUD 756 thou

As at 31.03.2014r. the fair value of the aforesaid transactions was estimated at a total amount of PLN 9.256 thou, of which PLN 1.638 thou were realised hedging transactions held in equity until the hedged forecast transaction incident, and PLN 7.618 thou were unrealised transactions accounted for by valuation models used by banks in which the transactions were included.

The positive fair value of PLN 9.256 thou consist of:

- the amount of PLN 4.412 thou was recognised as revaluation of equity. (This amount includes PLN 1.638 thou of the realised transactions and PLN 2.774 thou of the unrealised transactions)
- the amount of PLN 4.851 thou in the income statement. (This amount includes PLN 1.595 thou of the transactions for which hedge accounting is conducted).

The amount of PLN -7 is attributable to minority shareholders.

As at 31.03.2014 there was a positive valuation of the Company's hedging transactions made by the banks based on the following spot rates: USD 3,0344; EUR 4,1713; AUD 2,8002.

20. SEASONAL INFORMATION

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

21. INFORMATION ON THE ISSUE, REDEMPTION AND REPAYMENT OF NON EQUITY -AND -EQUITY SECURITIES OF THE ISSUER

- redemption and repayment of non-equity securities - not applicable
- **issue of securities - not applicable**
- **redemption or repayment of equity securities - not applicable.**

22. INFORMATION ON PAID (OR DECLARED) DIVIDENDS, IN TOTAL AND PER ONE SHARE, INCLUDING COMMON AND PREFERRED SHARES

In the financial statements for the year 2013 (notice 12.16) the Board announced a recommendation to the Annual General Meeting of Shareholders of KOPEX S.A., to fully allocate the net profit for the year 2013 to Company's development objectives, namely to increase the capital.

23. INDICATION OF EVENTS THAT OCCURRED AFTER THE DATE OF DRAWING UP THE QUARTERLY ABBREVIATED FINANCIAL STATEMENT, NOT INCLUDED IN THIS FINANCIAL STATEMENT BUT CAPABLE OF AFFECTING THE ISSUER'S FUTURE FINANCIAL RESULTS SIGNIFICANTLY

No events occurred after the date of the quarterly condensed financial statements not included in this report, which could have a significant impact on the future financial results of the Issuer.

24. STANDPOINT OF THE MANAGEMENT BOARD ON CAPABILITIES OF AN EARLIER ACCOMPLISHMENT OF THE FORECASTS FOR THIS YEAR PUBLISHED PREVIOUSLY, IN THE LIGHT OF RESULTS PRESENTED IN THE QUARTERLY REPORT, IN RELATION TO THE FORECAST RESULTS

The Issuer has not published forecasts for 2014.

25. INDICATION OF PROCEEDINGS PENDING IN FRONT OF THE COURT, THE COMPETENT AUTHORITY FOR ARBITRATION OR IN FRONT OF A PUBLIC ADMINISTRATION BODY

- proceedings related with liabilities or debts of the Issuer or its subsidiaries whose values amount to at least 10 per cent of the equity of the Issuer, with determined subject of the proceedings, amount of dispute, date of commencing the proceedings, parties to the commenced proceedings and standpoints of the Issuer,
- two or more proceedings for liabilities and debts, whose total value constitutes at least 10 per cent of the equity of the Issuer, with determined total value of the proceedings, separately in relation to major liabilities or debts together with the Issuer's standpoint on this issue, an in relation to the largest proceedings in the group of liabilities and debts indication of their subject, with determined subject of the dispute, value of the dispute subject and the date of commencing the proceedings and the parties to the proceedings commenced;

On the day of the report, neither the Issuer, nor any of the Companies of the Issuer's Capital Group have pending proceedings in front of the court or the competent authority for arbitration, the authority responsible for arbitration or in front of a public administration body, whose value constitutes at least 10 per cent of the equity of the Issuer.

26. LIST OF RELEVANT INFORMATION ON TRANSACTIONS CONCLUDED BY THE ISSUER OR ITS SUBSIDIARIES WITH RELATED PARTIES ON OTHER CONDITIONS THAN MARKET ONES TOGETHER WITH THEIR VALUES AND INFORMATION SPECIFYING NATURE OF THOSE TRANSACTIONS

According to our knowledge, in the reporting period neither KOPEX S.A. nor subsidiaries or sub-subsidiaries of the Issuer concluded transactions with their related parties on the other conditions than market ones.

27. INFORMATION ON STANDING SURETIES OR GRANTING GUARANTEES BY THE ISSUER OR BY ITS SUBSIDIARY – IN TOTAL TO ONE ENTITY OR TO THE ENTITY'S SUBSIDIARY- IF THE TOTAL VALUE OF THE SURETYSHIPS AND GUARANTEES GRANTED CONSTITUTES AT LEAST 10 PER CENT OF THE ISSUER'S EQUITY

PLN THOU

Date of suretyship contract	The entity that granted the surety	Podmiot za który udzielono poręczenia	Entity for the benefit of which suretyship has been granted	Amount of suretyship granted	End date of suretyship	Relationship between the Issuer and its subsidiary
02.07.2008	KOPEX MACHINERY S.A.	KOPEX S.A.	PKO BP S.A.	261.000	01.07.2014	A subsidiary of the parent entity
19.12.2011	KOPEX MACHINERY S.A.	KOPEX S.A.	PKO BP S.A.	110.235	09.06.2017	A subsidiary of the parent entity
TOTAL				371.235		

EUR THOU

Date of suretyship contract	The entity that granted the surety	Podmiot za który udzielono poręczenia	Entity for the benefit of which suretyship has been granted	Amount of suretyship granted	End date of suretyship	Relationship between the Issuer and its subsidiary
25.02.2011	KOPEX MACHINERY S.A.	KOPEX S.A.	ING BANK ŚLĄSKI	1.500	01.07.2014	A subsidiary of the parent entity
TOTAL				1.500		

PLN THOU

Date of suretyship contract	The entity that granted the surety	Podmiot za który udzielono poręczenia	Entity for the benefit of which suretyship has been granted	Amount of suretyship granted	End date of suretyship	Relationship between the Issuer and its subsidiary
30.12.2013	KOPEX S.A.	TAGOR S.A.	PKO BP S.A.	118.000	31.12.2014	Entity for an indirect subsidiary
07.11.2011	KOPEX S.A.	TAGOR S.A.	DZ BANK	34.000	21.09.2015	Entity for an indirect subsidiary
22.02.2011	KOPEX S.A.	KOPEX MACHINERY S.A.	PKO BP S.A.	19.743	31.07.2016	The parent company for its subsidiary
20.12.2010	KOPEX S.A.	KOPEX MACHINERY S.A.	ING LEASE	13.428	31.12.2014	The parent company for its subsidiary
17.08.2011	KOPEX S.A.	KOPEX MACHINERY S.A.	PKO BP S.A.	10.939	indefinitely	The parent company for its subsidiary
16.09.2011	KOPEX S.A.	KOPEX MACHINERY S.A.	ING LEASE	12.682	31.10.2015	The parent company for its subsidiary
27.10.2011	KOPEX S.A.	KOPEX MACHINERY S.A.	PKO BP S.A.	21.667	indefinitely	The parent company for its subsidiary
19.03.2012	KOPEX S.A.	KOPEX MACHINERY S.A.	mBank	4.500	05.02.2015	The parent company for its subsidiary
28.05.2012	KOPEX S.A.	KOPEX MACHINERY S.A.	ING LEASE	8.300	31.08.2016	The parent company for its subsidiary
05.06.2013	KOPEX S.A.	KOPEX MACHINERY S.A.	PKO BP S.A.	150.243	indefinitely	The parent company for its subsidiary
04.08.2011 TO 25.09.2013	KOPEX S.A.	TAGOR S.A. KOPEX MACHINERY S.A.	POZOSTALE	32.669	From 15.12.2015 to indefinitely	Entity for an indirect subsidiary The parent company for its subsidiary
TOTAL				426.171		

EUR THOU

Date of suretyship contract	The entity that granted the surety	Podmiot za który udzielono poręczenia	Entity for the benefit of which suretyship has been granted	Amount of suretyship granted	End date of suretyship	Relationship between the Issuer and its subsidiary
17.11.2011	KOPEX S.A.	KOPEX MACHINERY S.A.	ING BANK ŚLĄSKI	500	30.10.2017	Entity for an indirect subsidiary
TOTAL				500		

The total amount loans and borrowings, which was secured by a surety amounts to PLN 725.223 thou.

Remuneration of the issuer or its subsidiary for sureties or guarantees have been set at a level agreed between the company vouches, and the company for which bail was granted. The remuneration was adopted at the market level.

28. INDICATION OF THE FACTORS THAT ACCORDING TO THE ISSUER'S OPINION WILL AFFECT THE RESULTS ACHIEVED BY HIM OVER AT LEAST THE NEXT QUARTER

Factors that, in the opinion of the Issuer may have a significant impact on the financial results to be earned by him within at least the next quarter are:

- The continuing difficult situation on the market of coal producers, which translates in Polish mining industry to regress the investment expenditure, which in 2014 will remain at a limited level, determined by the level of current coal prices and prices anticipated in the near future. Measures for investments in 2014 will not increase on both domestic and foreign markets, particularly in the Russian market.
- The long-term prospect of a gradual increase in demand for coal in the global commodity markets, although sharpened climate policy of the European Union today is not conducive to the formation of a viable alternative to coal power, and thus the demand for energy coal.
- Further diversification of the Company's activities, both in geographical and product terms. Leaving the tasks associated insignificantly with core activity of KOPEX S.A. or tasks of a low profitability.
- Conducting further intensive research and development efforts for greater modularization of machines and equipment for mining. The Kopex Group is actively working on new types of machinery and equipment, which would meet previously unmet needs of customers both domestic and abroad.

Increasingly, however, the Polish and Russian coal companies turn to supply of "turnkey" mining complexes from a general supplier, who bears the responsibility for the proper operation of systems. In order to increase the sales volume the Group promotes and encourages customers to purchase complete longwall systems. Technological possibilities of Kopex Machinery in conjunction with the potential of companies TAGOR and Elgór + Hansen (formerly Kopex Electric Systems) allow to offer a complete longwall mining equipment also allowing an opportunity to improve profitability at such a sale. The works on a system for automated exploitation of thin and extremely thin seams named MIKRUS moved from test phase to the operational/excavation phase. Taking into consideration the fact that over 30% of carbon is in arrears in the corrugated board, inclined and overgrown with hard rock, where the efficiency of very expensive plow system is very low. MIKRUS in the these circumstances, is surely a promising alternative, not only in the domestic market.

- Implementation of the program to optimize the use of assets of the Group and the program of optimization of production processes. The incorporation processes, sales and liquidation will reduce the number of entities in the Group to 22 in 2016, and the optimization of production processes will limit the technical manufacturing cost in all aspects of cost .
- Dynamizing the after-market services and service operations by building competencies in China (creating Kopex Taian), expansion of Company Kopex Sibir in Russia, and developing aftermarket facilities in the region of Vorkuta. Furthermore Kopex together with Shandong Machinery Group creates a research and development center in Beijing. Centre facilities will constitute technological solutions for products intended for the Chinese market. In the Polish market, the primary form of distribution of longwall shearers is a lease of such equipment, where Kopex Machinery and ZZM - Maszyny Górnicze has more than 40% of share.
- Further stabilization in the field of mining services provided by the company Kopex – PBSz and Dalbis. The results of this sector in the context of a slowdown in the mining industry, are particularly good. Budgetary assumptions are executed with a surplus. It is also assumed that the implementation of the contract for the deepening of 1 BZIE shaft at JSW will run without major problems of hydro-geological conditions. The Companies regularly participates in tenders announced by the investors, acquiring new contracts.
- Maintaining a good level of performance in the mining sector - electrical and electronic equipment. Elgór+Hansen is a leader in the studies, production and implementation of electrical equipment in explosion-proof enclosures. providing maneuvering kits for power supply and haulage for shearers and longwall in Kompania Węglowa mines, boxes of apparatus and explosion-proof equipment for road headers produced by Remag and Sandvik, as well as electrical equipment for longwall systems.
Elgór+Hansen is also a supplier of electrical equipment for plow system produced by company CATERPILLAR, delivered to the Polish mines.
In many subsets of the product in the field of power systems and power distribution in Polish mines Elgór+Hansen will in subsequent quarters have a dominant position

SIGNATURES

Member of the Board

Piotr Broncel

Member of the Board

Andrzej Meder

Member of the Board

Joanna Węgrzyn

President of the Board

Józef Wolski

The person responsible
for bookkeeping:

Director of Accounting and Taxation
Alina Mazurczyk

Katowice, 12.05.2014