



**ABBREVIATED MID-YEAR
CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS
FOR THE PERIOD
01 JANUARY 2014 TO 30 SEPTEMBER 2014**

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

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Consolidated Statement of Financial Position of KOPEX S.A. Capital Group

	30.09.2014	31.12.2013
ASSETS		
Fixed assets	2 350 268	2 351 375
Intangible assets	163 564	153 000
Goodwill of the subordinated entities	1 248 362	1 248 064
Tangible assets	676 769	752 459
Investment real estate	26 090	26 725
Investment accounted for by equity method	44 796	54 526
Long-term lease receivables	16 170	37 144
Other long-term financial assets	117 761	18 259
Deferred income tax	56 756	61 198
Current assets	1 101 799	1 123 889
Inventories	280 830	296 708
Short-term receivables from supplies and services	339 323	371 345
Short-term other receivables	88 506	84 225
Short-term lease receivables	33 188	55 627
Short-term loans granted	28 889	39 285
Current income tax receivables	6 880	4 102
Derivative financial instruments	5 763	9 812
Financial assets at fair value through profit loss	48	90
Construction services agreement assets	245 531	174 108
Cash and its equivalent	72 841	88 587
Fixed assets available for sale	1	1
Total assets	3 452 068	3 475 265
LIABILITIES AND EQUITY CAPITAL		
Equity	2 606 594	2 516 509
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	2 708	5 019
Exchange rate differences from translation	18 768	9 732
Retained profit	1 451 821	1 369 384
Minority shareholders capital	7 001	6 078
Long-term liabilities	104 588	122 383
Long-term credits and loans	21 338	43 824
Long-term other liabilities	1 861	3 464
Long-term lease liabilities	52 730	46 951
Deferred income tax reserve	7 372	6 352
Long-term reserve for post employment benefits	18 290	17 925
Other long-term reserves for liabilities	14	17
Long-term accruals	2 983	3 850
Short-term liabilities	740 886	836 373
Short-term credits and loans	377 366	364 365
Supplies and services short-term liabilities	126 761	212 006
Short-term other liabilities	87 732	163 137
Short-term lease liabilities	38 528	32 120
Current income tax liabilities	7 775	9 571
Derivative financial instruments	501	547
Short-term reserve for employee benefits	20 530	13 004
Other short-term reserves for liabilities	15 253	14 309
Short-term prepayments	66 440	27 314
Liabilities and equity, total	3 452 068	3 475 265
Book value	2 606 594	2 516 509
Number of shares	74 056 038	74 056 038
Book value per share (BVPS) in [PLN]	35,20	33,98

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

	01.07.2014 to 30.09.2014	01.01.2014 to 30.09.2014	01.07.2013 to 30.09.2013	01.01.2013 to 30.09.2013
CONTINUED OPERATIONS				
Net income from sale of products, goods and materials	322 378	1 072 957	345 356	974 631
Costs of products, goods and materials sold	246 496	846 943	268 601	810 636
Gross profit on sales	75 882	226 014	76 755	163 995
Other income	2 357	17 540	11 340	15 792
Selling costs	9 269	34 531	12 677	26 805
Overheads	24 116	86 167	30 810	94 851
Other costs	1 878	11 695	-1 556	5 907
Other profit	-4 463	2 799	-6 290	8 374
Operating profit	38 513	113 960	39 874	60 598
Financial revenues	2 815	8 223	4 637	15 136
Finance costs	6 020	19 238	8 247	30 324
Share in profit (loss) of the subordinated entities evaluated by the equity method	459	4 320	3 387	7 404
Gross profit	35 767	107 265	39 651	52 814
Income tax	9 275	21 551	10 205	10 970
Consolidated net profit from continued operations	26 492	85 714	29 446	41 844
Consolidated net profit (loss) from discontinued operations	236	122	51	530
Total consolidated net profit	26 728	85 836	29 497	42 374
Net profit attributable to minority shareholders	421	1 122	239	1 017
Net profit attributable to the controlling company shareholders, including:	26 307	84 714	29 258	41 357
-from continued operations	26 071	84 592	29 207	40 827
-from discontinued operations	236	122	51	530
Weighted average number of common shares	74 056 038	74 056 038	74 056 038	74 056 038
Net profit from continued operations attributable to the controlling company shareholders per 1 common share	0,35	1,14	0,39	0,55
Net profit from discontinued operations attributable to the controlling company shareholders per 1 common share	-	-	0,00	0,01
Total net profit attributable to the controlling company shareholders per 1 common share	0,36	1,14	0,40	0,56

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

	01.01.2014 to 30.09.2014	01.01.2013 to 30.09.2013
Consolidated net profit	85 836	42 374
Other total incomes (loss) which will not be transferred to the result	-683	324
Actuarial loss from defined benefit program	-	-
Income tax from actuarial losses	-	-
Other income	-683	324
Other total incomes (loss) which will can be transferred to the result	6 698	-7 518
Exchange rates differences	9 009	-3 979
Cash flow hedging	-2 853	-4 367
Income tax on cash flow hedges	542	828
All other total income (loss) after taxation	6 015	-7 194
Total income	91 851	35 180
attributable to minority shareholders	1 139	815
attributable to KOPEX S.A. shareholders	90 712	34 365

**ABBREVIATED MID-YEAR CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENT OF KOPEX S.A.
for the period 1 January 2014 to 30 September 2014**

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
Total income	-	-	-	-4 286	-	813	-3 843	41 681	34 365	815	35 180
Dividend	-	-	-	-	-	-	-	-3 702	-3 702	-34	-3 736
Acquisition/increase or decrease of control	-	-	-	-	-	-	4	-1 947	-1 943	1 529	-414
Other	-	-	-	-	-	-	-	-42	-42	-	-42
Balance as at 30.09.2013	74 333	-2 979	1 054 942	3 264	-176	-617	15 873	1 360 009	2 504 649	7 852	2 512 501
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
Total income	-	-	-	-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	-	-	-	-2 853	-	542	8 992	84 031	90 712	1 139	91 851
Acquisition/increase or decrease of control	-	-	-	-	-	-	44	-1 163	-1 119	-80	-1 199
Dividend	-	-	-	-	-	-	-	-	-	-119	-119
Other	-	-	-	-	-	-	-	-431	-431	-17	-448
Balance as at 30.09.2014	74 333	-2 979	1 054 942	3 557	-176	-673	18 768	1 451 821	2 599 593	7 001	2 606 594

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

	01.01.2014 to 30.09.2014	01.01.2013 to 30.09.2013
CASH FLOW FROM OPERATING ACTIVITY		
Gross profit (loss)	107 416	53 468
Corrections by		
Depreciation	114 409	107 704
Share in net (profit) loss of the subsidiaries evaluated by the equity method	-4 320	-7 404
(Profit) loss from exchanges rates differences	-5 084	-1 288
Interest and share in profits (dividends)	12 199	15 261
(Profit) loss from investment activity	-10 431	-9 372
Change in reserves	9 406	5 002
Change in inventories	8 193	90 182
Change in receivables from supplies, services, and other receivables	58 343	205 603
Change in short-term liabilities from supplies, services and other receivables	-132 008	-64 342
Change in accruals	39 550	-1 036
Change in assets value from construction service agreements	-94 647	-40 646
Income tax paid	-26 495	-12 648
Write downs on asset value and intangible assets	890	-9 056
Foreign currency transactions	1 149	-228
Other corrections	-273	96
Net cash flow from operating activity	<u>78 297</u>	<u>331 296</u>
CASH FLOW FROM INVESTMENT ACTIVITY		
Sale of intangible and tangible fixed assets	16 672	29 205
Sale of financial assets	7 971	15 384
Dividends and share in profits received	8 066	-
Repayment of loans	26 168	45 230
Interest received	545	3 071
Grants received	-	4 252
Other revenues	1 406	-
Acquisition of intangible and tangible fixed assets*	-123 270	-145 138
Acquisition of financial assets	-135	-
Loans granted	-49 523	-15 244
Loss of control over the subsidiary	-2 315	-
Net cash flow from investment activity	<u>-114 415</u>	<u>-63 240</u>
CASH FLOW FROM FINANCIAL ACTIVITY		
Credits and loans	207 690	58 620
Dividends and other payment for owners	-	-4 279
Repayment of credits and loans	-143 483	-242 099
Payment of liabilities from financial lease agreements	-26 286	-24 180
Interest paid	-16 286	-23 443
Paid commissions on loans and sureties	-783	-1 473
Transactions with non-controlling shares	-1 165	-3 747
Other financial expenses	-308	-400
Net cash flow from financial activity	<u>19 379</u>	<u>-241 001</u>
TOTAL NET CASH FLOW	<u><u>-16 739</u></u>	<u><u>27 055</u></u>
Balance change in cash, incl:	-15 746	26 298
- change in cash from differences in exchange rate	993	-757
Cash at the beginning of period	88 587	81 583
Cash at the end of period, incl:	72 841	107 881
- restricted cash	2 415	11 398

* 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

	30.09.2014	31.12.2013
ASSETS		
Fixed assets	1 530 670	1 470 334
Intangible assets	9 853	10 581
Tangible fixed assets	22 760	30 000
Investment real estate	5 986	6 161
Long-term lease receivables	27 048	35 959
Other long-term financial assets	1 458 740	1 381 720
Deferred income tax assets	6 283	5 913
Current assets	230 774	264 597
Inventories	3 693	1 759
Short-term receivables from supplies and services	50 224	59 261
Short-term other receivables	32 036	33 052
Short-term lease receivables	28 287	26 284
Short-term loans granted	87 104	101 355
Current income tax receivables	1 297	2 323
Derivative financial instruments	5 480	8 690
Financial assets at fair value through profit or loss	48	90
Construction contract assets	11 783	10 285
Cash and its equivalents	10 822	21 498
Total assets	1 761 444	1 734 931
LIABILITIES AND EQUITY		
Equity	1 549 025	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	2 874	5 186
Retained profit	419 855	315 225
Long-term liabilities	23 508	40 257
Long-term credits and loans	16 804	33 608
Long-term other liabilities	154	-
Deferred income tax reserve	3 086	2 318
Long-term reserve for employee benefits	481	481
Accruals	2 983	3 850
Short-term liabilities	188 911	247 967
Short-term credits and loans	95 643	100 821
Supplies and services short-term liabilities	40 101	64 202
Short-term other liabilities	27 193	63 471
Liabilities for current income tax	-	314
Derivative financial instruments	483	425
Short-term reserve for employee benefits	826	1 204
Other short-term reserves for liabilities	909	868
Short-term accruals	23 756	16 662
Total liabilities and equity	1 761 444	1 734 931
Book value	1 549 025	1 446 707
Number of shares	74 056 038	74 056 038
Book value per share (BVSP) in [PLN]	20,92	19,54

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

	01.07.2014 to 30.09.2014	01.01.2014 to 30.09.2014	01.07.2013 to 30.09.2013	01.01.2013 to 30.09.2013
CONTINUED OPERATIONS				
Net income from sale of products, goods and materials	42 521	260 863	53 990	263 071
Costs of products, goods and materials sold	37 229	230 950	44 490	245 551
Gross profit on sales	5 292	29 913	9 500	17 520
Other income	28 454	110 968	557	57 151
Selling costs	1 708	8 579	3 777	5 325
Overheads	6 165	19 375	6 949	19 999
Other costs	2 772	3 845	593	2 246
Other profit (loss)	237	-6 937	-2 209	2 242
Operating profit	23 338	102 145	-3 471	49 343
Financial revenues	3 124	11 816	4 617	15 284
Finance costs	2 383	7 448	4 185	14 717
Gross profit	24 079	106 513	-3 039	49 910
Income tax	-248	1 557	-396	329
Net profit from continued operations	24 327	104 956	-2 643	49 581
Net profit (loss) from discontinued operations	236	122	51	530
Total net profit	24 563	105 078	-2 592	50 111
Weighted average number of common shares	74 056 038	74 056 038	74 056 038	74 056 038
Net profit (loss) from continued operations per 1 common share	0,33	1,42	-0,04	0,67
Net profit (loss) from discontinued operations per 1 common share	0,00	0,00	0,00	0,01
Net profit (loss) per one common share	0,33	1,42	-0,04	0,68

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

	01.01.2014 to 30.09.2014	01.01.2013 to 30.09.2013
Net profit	105 078	50 111
Other total income (loss) not to be transferred to the result	-	-
Other total income (loss) to be transferred to the result	-2 312	-2 226
Hedging cash flow	-2 854	-2 748
Income tax on cash flow hedges	542	522
Total other income (loss) after taxation	-2 312	-2 226
Total incomes	<u>102 766</u>	<u>47 885</u>

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)	-	-	-	-2 748	522	50 111	47 885
Dividends	-	-	-	-	-	-3 702	-3 702
Other	-	-	-	-	-	-42	-42
Saldo na 30.09.2013	74 333	-2 979	1 054 942	3 131	-595	300 192	1 429 024
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)	-	-	-	-2 854	542	105 078	102 766
Other	-	-	-	-	-	-448	-448
Balance as at 30.09.2014	74 333	-2 979	1 054 942	3 548	-674	419 855	1 549 025

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

	01.01.2014 to 30.09.2014	01.01.2013 to 30.09.2013
CASH FLOW FROM OPERATING ACTIVITY		
Gross profit (loss)	106 664	50 564
Corrections by:		
Depreciation	3 416	3 428
(Profit) loss from exchange rate differences	-714	-507
Interest and share in profits (dividends)	-110 326	-51 019
(Profit) loss from investment activity	7 693	107
Change in reserves	-337	-7
Change in inventories	-1 934	-171
Change in receivables from supplies, services and other receivables	28 815	138 397
Change in short-term liabilities from supplies, services and other receivables	-59 721	-56 512
Change in accruals	5 473	4 768
Change in assets from construction contracts	-1 498	-13 877
Income tax paid	44	-1 344
Derivative financial instruments	414	-959
Write downs on value of shares in subordinated entities	-	913
Other	-448	-41
Net cash flow from operating activity	<u>-22 459</u>	<u>73 740</u>
CASH FLOW FROM INVESTMENT ACTIVITY		
Sale of intangible and tangible fixed assets	140	109
Sale of financial assets	-	357
Dividends and share in profits received	107 989	92 898
Interests received	648	2 598
Repayment of loans	37 874	45 666
Grants received	754	740
Acquisition of intangible and tangible fixed assets	-5 054	-6 588
Acquisition of financial assets	-6	-414
Loans granted	-104 515	-27 030
Net cash flow from investment activity	<u>37 830</u>	<u>108 336</u>
CASH FLOW FROM FINANCIAL ACTIVITY		
Credits and loans	89 285	17 500
Received commissions from sureties	2 167	3 841
Dividends	-	-3 702
Repayment of credits and loans	-111 449	-173 445
Interest paid	-5 281	-10 361
Paid commissions on loans and sureties	-808	-4 284
Net cash flow from financial activity	<u>-26 086</u>	<u>-170 451</u>
TOTAL NET CASH FLOW	<u><u>-10 715</u></u>	<u><u>11 625</u></u>
Balance change in cash, incl:	-10 676	11 357
- change in cash from differences in exchange rates	39	-268
Cash at the beginning of period	21 498	14 992
Cash at the end of period, incl:	10 822	26 349
- restricted cash	-	6 493

**ADDITIONAL INFORMATION TO ABBREVIATED MID-YEAR CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR
THE PERIOD 1 JANUARY 2014 TO 30 SEPTEMBER 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:

<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. (former: KOPEX ELECTRIC SYSTEMS S.A.)	Full consolidation method
KOPEX ELECTRIC SYSTEMS S.A. (dawniej: EL-GÓR S.A.)	Full consolidation method
HANSEN & REINDERS CS spol.s.r.o. (Czech Republic)***	Full consolidation method
HANSEN AND GENWEST (Pty) Ltd (dawniej: 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
ŚLĄSKIE 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 (Chiny)	Equity consolidation method
WS BAILDONIT Sp. z o.o.	Equity consolidation method
TIEFENBACH Sp. z o.o.	Equity consolidation method
ODLEWNIA STALIWA ŁABĘDY Sp. z o.o.	Equity consolidation method
ANHUI LONG PO ELECTRICAL CORPORATION Ltd (China)	Equity consolidation method
MILUX 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 Issuer lost control over KOPEX-FAMAGO Sp. z o.o. as a result of the sale of all the shares of the entity on 30 June 2014. The consolidated income statement includes all income and expenses of the subsidiary for the period from 01.01.2014 to 30.06.2014, ie. until the sale of shares and diagnosed result in the loss of control. At the same time the assets and liabilities of that unit have not been included in the consolidated financial statements.

Assets and liabilities over which control was lost::	
Fixed assets	55 783
Current assets	72 482
Long-term liabilities	61 728
Short-term liabilities	75 345
Net assets disposed	-8 808

*** Shares of the company KOPEX MIN-USŁUGI (Serbia) and HANSEN & REINDERS CS spol.s.r.o. (Czech Republic) were sold in Q3 2014. The consolidated income statement includes all income and expenses of these subsidiaries for the period from 01.01.2014 to the date of sale of shares and recognized results in the loss of control. At the same time the assets and liabilities of these entities are not included in the consolidated financial statements, but their value is immaterial.

Consolidation does not cover the newly founded company Taian Kopex Coal Mining Equipment Service Co. Ltd based in China, due to the fact that the company has not yet begun business.

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 November 2014.

1. 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 been audited by a chartered accountant.

2.2 ADOPTED ACCOUNTING PRINCIPLES

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

- The following new and amended standards and interpretations that came into force on 1 January 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 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 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 the 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.

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.

These changes had no impact on these financial statements.

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.

These changes had no impact on these financial statements.

In 2014, after the annual financial statements published the following new standards and interpretations had been published:

Amendments to IFRS 11 on the purchase of a share in a common business

This amendment to IFRS 11 requires the investor when he acquires a share in the common activities for which a business as defined in IFRS 3 application to acquire its share of rules on businesses call accounting in accordance with IFRS 3 and the rules under other standards, unless they are contrary to the guidelines contained IFRS 11.

The change is effective for annual periods beginning on or after 1 January 2016.

The Group is not currently able to estimate the impact of IFRS 11 on the financial statements.

At the date of preparation of these financial statements, amendments to IFRS 11 has not yet been approved by the European Union.

Amendments to IAS 16 and IAS 38 regarding depreciation

The amendment clarifies that the use of the depreciation method based on revenues is not appropriate because the revenues generated in the activity that uses the assets also reflect factors other than the consumption of the economic benefits of the asset. The change is effective for annual periods beginning on or after 1 January 2016.

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

At the date of preparation of these financial statements, the amendments to IAS 16 and IAS 38 have not yet been approved by the European Union.

IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 "Revenue from Contracts with Customers" was published by the International Accounting Standards 28 May 2014. and effective for annual periods beginning on or after 1 January 2017 or after that date.

The rules provided for in IFRS 15 will cover all contracts resulting in revenue. The fundamental principle of the new standard is to recognize revenue at the time of transfer of goods or services to the client, in the amount of the transaction price. Any goods or services sold in packages that can be distinguished within the package to be reported separately, moreover, any discounts and rebates on the transaction price should in principle be allocated to the individual elements of the package.

If the amount of revenue is variable, according to the new standard for the amount of variables are included in the income, if there is a high probability that in the future there will be no reversal of the recognition of income as a result of the revaluation. Furthermore, in accordance with IFRS 15 costs incurred to acquire and secure a contract with a customer must activate and accounted for over the period of consumption of the benefits of this contract.

The Group is not currently able to estimate the impact of adopting the new standard on the financial statements.

At the date of preparation of these financial statements, IFRS 15 has not yet been approved by the European Union.

Amendments to IAS 16 and IAS 41 on crops

The amendments require the recognition of certain manufacturing plants, such as vines, trees, rubber or palm oil (ie. That produce crops for many years and are not intended for sale in the form of planting or harvesting at harvest time) in accordance with IAS 16 because their cultivation is analogous to the production. As a result of these changes include such plants within the scope of IAS 16 and not IAS 41.

Amendments were published on 30 June 2014. and effective for annual periods beginning on or after 1 January 2016.

These changes will have no impact on the financial statements of the Issuer, as neither the Issuer nor the Group did not carry out this type of activity.

At the date of preparation of these financial statements, these changes have not yet been approved by the European Union.

Amendments to IAS 27 concerning. The equity method in the separate financial statements

Amendment to IAS 27 allows the use of the equity method as one of the optional methods of accounting for investments in subsidiaries, jointly controlled entities and associates in the separate financial statements.

The amendments were published on 12 August 2014. And are effective for annual periods beginning on or after 1 January 2016.

The Issuer will apply the amendments from 1 January 2016.

The Issuer is not currently able to estimate the impact of adopting the new standard on the financial statements.

At the date of preparation of these financial statements, the changes have not yet been approved by the European Union.

Amendments to IFRS 10 and IAS 28 concerning. Sales or transfers of assets between the investor and its associates or joint ventures

Amendments solve the problem of the current inconsistencies between IFRS 10 and IAS 28. The accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture are the "business".

If the non-monetary assets are "business", the investor will show the full gain or loss on the transaction. If the assets do not meet the definition of a business, the investor recognizes a gain or loss except for the part representing the interests of other investors.

The amendments were published on 11 September 2014. And are effective for annual periods beginning on or after 1 January 2016.

The Group will apply the amendments from 1 January 2016.

The Group is not currently able to estimate the impact of adopting the new standard on the financial statements.

At the date of preparation of these financial statements, the changes have not yet been approved by the European Union.

Amendments to IFRS 2012-2014

International Accounting Standards Board published in September 2014. "Improvements to IFRSs 2012-2014", that change four standards: IFRS 5, IFRS 7, IAS 19 and IAS 34. The amendments are effective for annual periods beginning on or after 1 January 2016.

The Group will apply these amendments to IFRS from 1 January 2016.

The Group is not currently able to estimate the impact of adopting the new standard on the financial statements.

At the date of preparation of these financial statements, amendments to IFRS 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, RESULTS AND CASHFLOWS FROM DISCONTINUED OPERATIONS IN THE CAPITAL GROUP	01.01.2014 to 30.09.2014	01.01.2013 to 30.09.2013
Income and expenses from discontinued operations:		
Net income from sale of products, goods and materials	1 359	125 851
Value of goods and materials sold	886	123 373
Gross profit on sales	473	2 478
Other income	-	20
Selling costs	322	1 631
Overheads	-	646
Other costs	-	28
Other profits (loss)	-	74
Net profit (loss) from discontinued operations	151	267
Finance income - interest	-	387
Gross profit (loss)	151	654
Income tax - deferred	29	124
Net profit from discontinued operations	122	530
Net profit from discontinued operations attributable to equity holders of the parent company	122	530
Cash flows from discontinued operations:		
Cash flows from operating activities	1 455	29 446
Total cash flows from discontinued operations	1 455	29 446

REVENUES, COSTS, RESULTS AND CASHFLOW FROM DISCONTINUED OPERATIONS DURING THE PERIOD AT THE ISSUER	od 01.01.2014 do 30.09.2014	od 01.01.2013 do 30.09.2013
Income and expenses from discontinued operations:		
Net income from sale of products, goods and materials	1 359	125 851
Value of goods and materials sold	886	123 373
Gross profit on sales	473	2 478
Other income	-	20
Selling costs	322	1 631
Overheads	-	646
Other costs	-	28
Other profits (loss)	-	74
Operating profit (loss)	151	267
Finance income - interest	-	387
Gross profit (loss)	151	654
Income tax - deferred	29	124
Net profit (loss) from discontinued operations	122	530
Cash flows from discontinued operations:		
Cash flows from operating activities	1 455	29 446
Total cash flows from discontinued operations	1 455	29 446

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 I half of year 2014 here 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

	As at 30.09.2014	<i>Increases (+) decreases (-)</i>	As at 31.12.2013
Total contingent liabilities, incl:	<u>127 134</u>	<u>28 332</u>	<u>98 802</u>
1. To related parties	298	298	-
2. To other entities	126 836	28 034	98 802
- warranties and suretyships granted*	97 413	10 619	86 794
- notes drawn	29 423	17 415	12 008

* contingent liabilities in the Group in respect of guarantees and warranties are linked in the amount of 28 617 thousand PLN with those obtained by Group companies promissory notes in exchange for a given security.

Contingent liabilities in the Capital Group increased by PLN 137 410 thou compared to 31.12.2013.

at the Issuer

	As at 30.09.2014	<i>Increases (+) decreases (-)</i>	As at 31.12.2013
Total contingent liabilities, incl:	<u>246 775</u>	<u>-416 674</u>	<u>663 449</u>
1. To related parties	-	-	-
2. To other entities*	246 775	-416 674	663 449
- warranties and suretyships granted	240 390	-416 674	657 064
- notes drawn	6 385	-	6 385

* Contingent liabilities of KOPEX S.A. from other entities amount to PLN 183 592 thou, including sureties, guarantees obtained from related parties, in exchange for standing surety for those entities by KOPEX S.A.. Contingent liabilities are mainly guarantees issued securing loans subsidiaries..

Contingent liabilities at the Issuer decreased by PLN 100 779 thou compared to 31.12.2013.

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. Company Fazos SA brought an appeal to the Supreme Court. On June 5, 2014, the Issuer filed a response to the cassation appeal in the content of responses indicating lack of evidence in favor of the adoption of a cassation appeal and the justification for the complaints made substantive terms of the judgment of the Court of Appeal in Katowice dated March 3, 2014. The date of publication of these financial statements, the Supreme Court did not rule on the question of acceptance or refusal to accept an appeal in cassation Fazos SA to recognize.

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 TRANSLATION OF SELECTED FINANCIAL FIGURES

- Items of assets and liabilities were translated into EUR at the average NBP bank exchange rate, as at the balance sheet date:
 - as at 30.09.2014 - 4,1755
 - 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:
 - after Q3 2014 - 4,1803
 - after Q3 2013 - 4,2231
- Maximum exchange rates in the following periods
 - after Q3 2014 - 4,2368
 - after Q3 2013 - 4,3292
- Minimum exchange rates in the following periods:
 - after Q3 2014 - 4,1420
 - after Q3 2013 - 4,1429

5. INFORMATION ON CHANGE IN RESERVES

at the Capital Group

	01.01.2014 to 30.09.2014	01.01.2013 to 30.09.2013
Change in reserves for liabilities	8 832	5 002
a) increases, incl:	12 749	12 601
- employee benefits	10 951	10 850
- reserve for liabilities	1 798	1 751
b) decreases, incl:	4 024	7 675
- employee benefits	3 154	2 382
- reserve for liabilities	870	5 293
c) exchange rate differences	107	76

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

at the Issuer

	01.01.2014 to 30.09.2014	01.01.2013 to 30.09.2013
Change in reserves for liabilities	-337	-7
a) increases, incl:	629	357
- employee benefits	156	347
- reserve for liabilities	473	10
b) decreases, incl:	966	364
- employee benefits	534	356
- reserve for liabilities	432	8

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

at the Capital Group

	01.01.2014 to 30.09.2014	01.01.2013 to 30.09.2013
1) increases, incl:	15 064	12 336
- Receivables	6 334	8 436
- Tangible and intangible assets	4 974	3 637
- Inventories	3 226	263
- Other long-term assets	530	-
2) decreases, incl:	10 436	19 182
- Receivables	2 637	3 722
- Tangible and intangible assets	3 171	12 693
- Inventories	4 616	2 542
- Other long-term assets	12	225
3) exchange rate differences	170	-55

at the Issuer

	01.01.2014 to 30.09.2014	01.01.2013 to 30.09.2013
1) increases, incl:	2 960	1 700
Receivables	2 960	563
Tangible and intangible assets	-	1 137
2) decreases, incl:	647	436
Receivables	647	212
Other long term assets	-	224
3) exchange rate differences	-	-2

7. ACQUISITIONS AND DISPOSALS OF TANGIBLE FIXED ASSETTS

at the Capital Group

	01.01.2014 to 30.09.2014	01.01.2013 to 30.09.2013
Acquisitions¹⁾	87 927	92 601
Disposals	21 026	28 333

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

at the Issuer

	01.01.2014 to 30.09.2014	01.01.2013 to 30.09.2013
Acquisitions	4 169	1 605
Disposals	21	86

* this item also includes the assets generated internally

8. TRANSACTIONS OF THE CAPITAL GROUP WITH RELATED PARTIES THAT ARE NOT A SUBJECT TO CONSOLIDATION

	Revenues from sale of products, goods and materials	Other sale	Finance revenues
01.01.2014 to 30.09.2014			
from affiliates	2 035	879	15
from other related parties	2 971	3	1 483
01.01.2013 to 30.09.2013			
from affiliates	2 106	-	-
from other related parties	405	90	3 324

	Purchase of goods and services	Purchase of tangible and intangible assets	Finance costs
01.01.2014 to 30.09.2014			
from affiliates	23 229	-	-
from other related parties	8 581	277	1
01.01.2013 to 30.09.2013			
from affiliates	2 710	-	478
from other related parties	2 292	-	-

Receivables and liabilities from related parties	30.09.2014	31.12.2013
Gross receivables from affiliates	6 065	4 706
Gross receivables from other related parties	21 515	8 465
Gross lease receivables from affiliates	316	428
Liabilities to affiliates	8 393	8 489
Liabilities to other related parties	1 822	501

Write downs from other related parties	30.09.2014	31.12.2013
At the beginning of period	4 894	3 899
Write down establishing	353	254
Write down release	2	46
Taking control of a subsidiary	-	787
At the end of period	5 245	4 894

Receivables and liabilities for loans	30.09.2014	31.12.2013
Receivables for loans from related parties	137 423	38 519
Receivables for loans from affiliates	2 591	1 270
Liabilities for loans to related parties	-	-
Liabilities for loans to affiliates	-	-

Impairment losses on loans receivable from other parties	30.09.2014	31.12.2013
At the beginning of period	6 324	-
Write down establishing	77	-
Taking control of a subsidiary	-	6 324
At the end of period	6 401	6 324

9. TRANSACTIONS WITH RELATED PARTIES AT THE ISSUER

	Revenues from sale of products, goods and materials	Other revenues (including dividends)	Financial revenues
01.01.2014 to 30.09.2014			
from subsidiaries	10 437	107 989	5 993
from affiliates	1 464	3	2
from other related parties	174	-	837
01.01.2013 to 30.09.2013			
from subsidiaries	12 475	55 987	5 878
from affiliates	2 126	-	-
from other related parties	43	90	3 063

	Purchase of goods and services	Purchase of tangible and intangible assets	Finance costs
01.01.2014 to 30.09.2014			
from subsidiaries	122 880	2	1 823
from other related parties	2 790	277	1
01.01.2013 to 30.09.2013			
from subsidiaries	150 423	791	5 176
from other related parties	2 091	248	-

Receivables and liabilities from related parties	30.09.2014	31.12.2013
Trade receivables and other from subsidiaries (net)	16 602	24 021
Trade receivables and other from associates (net)	600	-
Trade receivables and other from other related parties (net)	7 616	3 641
Lease receivables from subsidiaries (net)	16 002	5 971
Lease receivables from other related parties (net)	316	245
Liabilities to subsidiaries	27 838	48 952
Liabilities to other related parties	270	85

Impairment losses on receivables from subsidiaries	30.09.2014	31.12.2013
At the beginning of period	2 365	2 390
Exchange rate differences	-	-25
At the end of period	2 365	2 365

Impairment losses on receivables from other related parties	30.09.2014	31.12.2013
At the beginning of period	3 401	3 447
Write down establishing	3	-
Write down release	-	46
At the end of period	3 404	3 401

Impairment losses on lease receivables from other related parties	30.09.2014	31.12.2013
At the beginning of period	183	192
Write down release	-	9
At the end of period	183	183

Receivables and loan commitments	30.09.2014	31.12.2013
Loans receivables from subsidiaries	79 163	74 830
Loans receivables from associates	-	-
Loans receivables from other related parties	110 416	33 842
Liabilities from loans to subsidiaries	1 422	97

10. FAIR VALUE

Financial assets and liabilities measured at fair value as at 30.09.2014:

At the Capital Group :

Classes of financial instruments	The fair value hierarchy		
	level 1	level 2	level 3
Stocks and shares	48		
Derivatives, including:		5 262	
Assets		5 763	
Liabilities		-501	

At the Issuer

Classes of financial instruments	The fair value hierarchy		
	level 1	level 2	level 3
Stocks and shares	48		
Derivatives, including:		4 997	
Assets		5 480	
Liabilities		-483	

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.

During the period covered by these financial statements there were no changes of classification.

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.

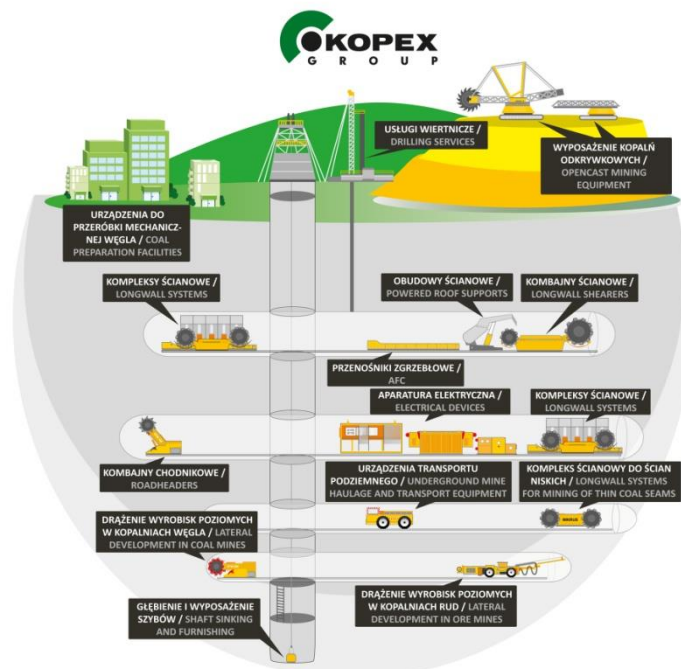
The Kopex Group brings together the leading manufacturers of high quality machinery, equipment and modern technologies for mining.

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 52 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 currentlu operating in australian coal mines. n 2011, the company introduced a new version of the shuttle car 2011 SS type.
- Roadheader KTW 200

Services offered:

- 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. /Russia/** – 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.



ELECTRIC EQUIPMENT

- ⇒ **HANSEN Sicherheitstechnik AG /Germany/** – 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.
- ⇒ **Hansen And Genwest Pty Ltd /RPA/** (formerly KOPEX AFRICA Pty Ltd until 10.09.2014) – 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.



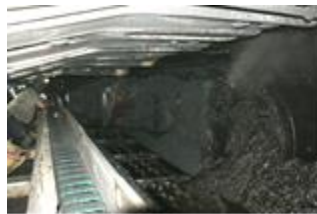
DRILLING SERVICES

- ⇒ **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

- ⇒ **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.



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

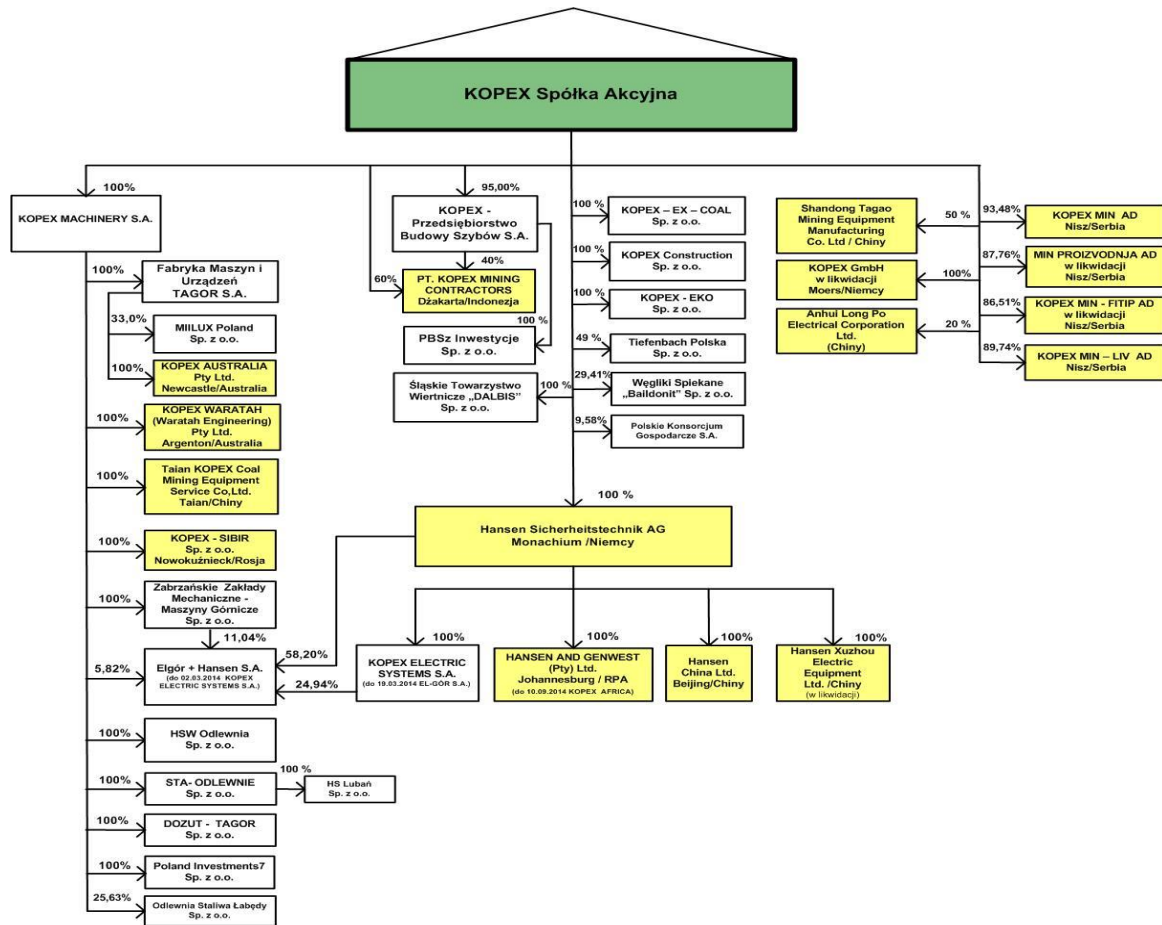
13.1. DESCRIPTION OF THE ORGANISATION OF THE ISSUER'S CAPITAL GROUP

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.

Organizational chart of KOPEX S.A. as at 30 September 2014



Notice: companies established abroad are indicated 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 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.

In the period from January 1, 2014 until the date of publication of this report for the first half of 2014 there have been significant changes described below in the organizational structure of the Kopex Group arising from the restructuring and development objectives of the Group:

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.

On 27 May 2014 the President of the Office of Competition and Consumer Protection approved (Decision No. DKK - 69/2014) on the concentration consisting of the establishment by TAGOR and Miilux Oy, based in Raahe (Finland), a joint venture under the name "Miilux Poland" Sp. z o.o with its seat in Tarnowskie Góry.

On June 6, 2014, the District Court in Gliwice X Division of the National Court Register entered the company "Miilux Poland" Sp. z o.o with its seat in Tarnowskie Góry into the register of Entrepreneurs of the National Court Register.

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 equity of „KOPEX MACHINERY” S.A. in its subsidiary „DOZUT-TAGOR” Sp. z o.o with its seat in Zabrze;

On 04.02.2014 the Extraordinary General Meeting of Shareholders "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" SA.

On 03.05.2014, the relevant agreements have been signed under which these shares representing 0.02% of the share capital were passed on "Kopex MACHINERY" SA.

On 03.12.2014, the District Court in Gliwice, X Economic Department KRS made an entry on the acquisition of shares of "DOZUT-TAGOR" Sp. z o.o by the "Kopex MACHINERY" SA and thereby achieve 100% equity interest in the company. So far, "Kopex MACHINERY" SA held 99.98% of shares of "DOZUT-TAGOR" Sp. z o.o.

Further restructuring activities of companies with similar business located in the Kopex Group will be continued.

d)) Establishment of "Taian Kopex Coal Mining Equipment Service" Co., Ltd located in Taian / China and the acquisition by Kopex Machinery SA 100% of the shares in the company

The Board of the subsidiary "Kopex Machinery" SA pursuant to the resolution of 17 April 2014 and the favorable opinion of the Supervisory Board decided to create a company in the Peoples Republic of China under the name "Taian Kopex Coal Mining Equipment Service" Co., Ltd in Shandong company's headquarters Tagao Mining Machinery Equipment Manufacturing Co. Ltd. Taian. The sole shareholder of the company is "Kopex Machinery" SA. The Company's activities::

- Service of „KOPEX Machinery” S.A. equipment – warranty and post-warranty service,
- Storage of spare parts for warranty and post-warranty service,
- carrying out repairs of „KOPEX Machinery” S.A. equipment,
- spare parts sales.

The establishment of the company is related to the need for maintenance and repair of shearers provided by the "Kopex Machinery" SA for the Chinese market. On 20 June 2014 Kopex Group received „Business licence” from the Chinese Office, which allows business operation of the Taian KOPEX Coal Mining Equipment Service Co. Ltd. In China.

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.

b) disposal by the "Kopex" SA 100% of the shares in the company "Kopex-FAMAGO" Sp. z o.o based in Wroclaw

On the basis of the agreement of sale, Kopex SA sold all 7,240 shares held in the subsidiary Kopex-FAMAGO Sp. z o.o based in Wroclaw to an entity outside the Group Kopex SA. The Management Board of Kopex SA informed about the above transactions in the current report No. 55/2014 of 9 July 2014. The decision to sell shares in Kopex-FAMAGO Sp. z o.o is part of the restructuring of the Group Kopex SA in accordance with "Organizational Restructuring Program Group of Kopex SA for the years 2013-2016" adopted by the Board of Kopex SA in November 2013.

c) disposal by the subsidiary Kopex MIN - LIV AD based in Nis / Republika Srpska 100% of the shares of the company Kopex MIN - Services d.o.o. based in Nis / Republic of Srpska

On July 28, 2014, the Extraordinary General Meeting of Shareholders of the subsidiary Kopex MIN - LIV AD based in Nis / Republika Srpska passed a resolution to approve the sale of 100% of shares in Kopex MIN - Services doo based in Nis / Republika Srpska (an indirect subsidiary of "Kopex" SA). Dated July 29, 2014 an agreement was concluded on the sale of shares in Kopex MIN - Services doo to an individual. This action results from the implementation of the adopted plan to optimize organizational assets of the Group companies of Kopex SA.

d) Liquidation of the company Kopex GmbH in Moers / Germany

On June 5, 2014, the General Meeting of Shareholders of KOPEX GmbH in Moers (Germany) passed a resolution to dissolve the Company with effect from 30 June 2014 and the appointment of Mr. Karol Zajac as liquidator. The sole shareholder of the company Kopex GmbH is the "Kopex" SA. The company was formed to conduct business primarily services on the German market during the period of Kopex SA business activity on this market. In relation to the termination of this activity in later years, the existence of KOPEX GmbH has become obsolete.

KOPEX GmbH Company has no assets, no liabilities to creditors and in recent years has not conducted any business activity. Actions taken to dissolve the results from the implementation of the adopted plan to optimize organizational assets of the Group companies of Kopex SA.

Due to the receipt of an offer to purchase 100% of the shares, the General Meeting of Shareholders on 15 October 2014 adopted a resolution to revoke the decision of 05 June 2014 concerning liquidation of the company. The transaction of shares sale is planned in November 2014.

e) disposal by the subsidiary Hansen Sicherheitstechnik AG based in Munchen/Germany of the 80% of shares of Hansen & Rainders CS spol. s.r.o. based in Opava/Czech Republic;

On 02 July 2014 the subsidiary Hansen Sicherheitstechnik AG based in München/Germany entered into two agreements of selling its 80% stake in Hansen & Rainders CS spol. based in Opava / Czech Republic with two individuals (existing complicit in this company, having a 20% stake). Towards the fulfillment to the 30th September 2014 all contractual terms on 16 October 2014, the necessary changes have been made in the commercial register. These disposal of shares results from the optimization plan organizational and property companies Kopex SA Capital Group The Company does not have any importance for the Group business Hansen and Kopex SA Capital Group.

f) liquidation of the company „EKOPEX” sp. z o.o. based in Biendudze/Ukraina;

The company „EKOPEX” Sp. z o.o. was established in 2006 as a limited liability company under Ukrainian law involving two other partners - Ukrainian companies, in connection with the then plans for reclamation of coal heaps. „KOPEX” S.A. holds 20.00% stake in the company, which share capital amounts to Hryvnas 37.500 (ca. PLN 14.000). The Company has not commenced and is not established. At the request of the local Tax Office (State Tax Inspectorate) Regional Administrative Court in Lviv 05.16.2013 issued a decision on liquidation of the legal person and appoint a liquidator of the company. The Company has no debt to pay taxes and fees, as well as due to a flat-rate contribution to social security and insurance premiums to the Pension Fund of Ukraine. On September 22, 2014, the Issuer received notices from the Ukrainian "State Registrar legal and natural persons engaged in entrepreneurial activity" on the entry liquidation of the company "EKOPEX" Sp. with o.o and thus the liquidation process has been completed. The liquidation of the company is part of the composition of the Kopex 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.

c) a change of the company „KOPEX AFRICA” (Pty) Ltd to „HANSEN AND GENWEST” (Pty) Ltd;

On 09 May 2014 the Extraordinary General Meeting of „KOPEX AFRICA” (Pty) Ltd passed a resolution to change the company name „KOPEX AFRICA” (Pty) Ltd to „HANSEN AND GENWEST” (Pty) Ltd. Currently, formal and legal procedures relating to the registration of the change of name of the Company are pending.

d) termination the business of electricity trading by „KOPEX” S.A.

Dated June 5, 2014, the President of the Energy Regulatory Office at the request of "Kopex" SA issued a decision to revoke the license for electricity trading of 25 February 2009. No OEE / 538/9238 / W / 2/2008 / P.J.

Kopex SA informed about the Board decision in the yearly report No. R/2014 published on 30 April 2014. The immediate reasons for this decision were the two factors, namely: obtaining relatively low rates of gross profitability of sales in this segment of activity and requirement of a large commitment of financial resources necessary for the conduct of that business, which is not without impact on the indicators of Kopex Group.

e) project of building a coal mine in the concession area of Oświęcim-Polanka;

Project of building a coal mine in the concession area of Oświęcim-Polanka is implemented by a subsidiary „KOPEX-EX-COAL” Sp. z o.o. based in Katowice in the course of business.

In view of the importance and significance of this project for the entire Group, the Issuer's Board turned to the Supervisory Board with the application for an opinion on the project to build the mine. On 14.11.2013 the Supervisory Board of "Kopex" SA, having regard to the report prepared and presented by external experts, as well as taking account of the justification - adopted a resolution on a favorable opinion from the project and committed to the constant monitoring and reporting of its further progress. The Issuer informed the public about the above opinion of the Supervisory Board in current reports No. 74 and No. 76 dated 19.11.2013.

According to the timetable and assumed milestones further works on this project are continued. Currently the processes are implemented, which are associated with obtaining a license for the extraction of minerals from deposits and obtaining sources of financing of the investment.

Major investments in the Issuer's Capital Group financial and tangible assets for the first 3 quarters of 2014 are shown in the following table:

INVESTMENTS	VALUE
1. Machinery and equipment	79.439
2. Intangible assets	21.195
3. Acquisitions and takeovers	6.008
4. Buildings and real estate	1.302
5. Other	2.480
Total	110.424

PLN thou.

In the first 3 quarters of 2014 the Capital Group suffered a depreciation costs of its inventory in the amount of PLN 114.409 tys. zł. The investments were financed from Companies own funds and from external sources of financing (bank credits, loans).

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

15.1. SHAREHOLDERS HOLDING DIRECTLY OR INDIRECTLY THORUGH 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 - Giełda Papierów Wartościowych w Warszawie S.A. (KPX PLKOPEX00018, Industrial Machinery, Segment: 50 PLUS, Index: mWIG50)



According to the information held by the Issuer on the date of publication of this 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 PSr/2014 on 27 August 2014 to the date of this report QSr-III/2014 there has been no change in significant packets of shares.

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	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 PSr/2014 on 27 August 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	No shares held	no change ²⁾

Source: Company

Notice:

- 1) *Total direct and indirect shareholding of KOPEX S.A shares together with subsidiaries (directly and indirectly) by Mr Krzysztof Jędrzejewski, 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) *no changes in the shareholding of the Issuer's shares since the publication of the latest quarterly report PSr/2014 on 27 August 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

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

	30.09.2014	31.12.2013
WHITE COLLAR WORKERS	219	221
PHYSICAL STAFF	37	22
TOTAL	256	243

COMMENTARY ON THE FINANCIAL SITUATION

Value of the balance sheet sum at the end of Q3 2014 amounted to PLN 1.761.444 thou and compared to the end of 2013 it increased by PLN 26.513 thou, i.e. 1,5%. 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 60.336 thou, i.e. 4,1% (increase in other long-term assets by 5,6%; reduction of long-term lease receivables by 24,8% and reduction of tangible fixed assets by 24,1%). Current assets decreased by PLN 33.823 thou, i.e. 12,8% (reduction in short-term loans by 14,1%; reducing the volume of cash and cash equivalents by 49,7%; decrease in short-term trade receivables and services by 15,2%; decrease in derivative financial instruments by 36,9%).

In the liabilities and shareholders' equity an increase in group equity has been noted by PLN 102.318 thou and a decrease of long-term liabilities by PLN 16.749 thou, i.e. 41,6% (decrease in the value of long term loans by 50,0%) and decrease in current liabilities by PLN 59.056 thou, i.e. 23,8% (decrease in other short-term liabilities by 57,2%; decrease in current liabilities on account of supplies and services by 37,5%; decrease in the value of loans and short-term borrowings by 5,1% and an increase in accruals by 42,6%).

SEPARATE INCOME STATEMENT

In the Q3 2014 the Issuer's sales revenues amounted to PLN 42.521 thou and were in comparison to the same period of 2013 by PLN 11.469 thou, i.e. 21,2%. The total sales revenue for the first three quarters of 2014 amounted to PLN 260.863 thou and were lower, in comparison to the same period of 2013 by PLN 2.208 thou, i.e. 0,8%.

In the period January to September 2014 the Issuer's revenues from export sale amounted to PLN 246.287 thou., incl.:

- Sales of mining machinery and equipment to Argentina, Bosnia and Hercegovina, China, Romania, Serbia, Turkey and Ukraine amounting to PLN 184.329 thou.;
- Sales of bulk raw materials (coal) in the amount of PLN 38.813 thou to Austria, Spain, Slovakia and Sweden;
- Mining services in amount of PLN 23.078 thou implemented in France and Turkey;
- Other services in Germany and Bosnia and Hercegovina in amount of PLN 67 thou.

In the period January – September 2014, the Issuer earned revenues from sales in Poland amounting to PLN 14.576 thou, including:

- Sales of mining machinery and equipment amounting to PLN 1.821 thou;
- Sales of coal amounting to PLN 1.234 thou;
- other sales in amount of PLN 11.521 thou (lease, rental, accounting, financial services, information services, logistics services, internal control).

Gross profit on sales in Q3 2014 amounted to PLN 5. thou, compared to the result obtained in the same period of 2013 it decreased by PLN 4.208 thou. Cumulatively for the period from the Q1 to Q3 2014 gross profit on sales amounted to PLN 29.913 thou., compared to the result obtained in the same period of 2013 it increased by PLN 12.393 thou, i.e. by 70,7%.

Cost of sales in the Q3 2014 amounted to PLN 1.708 thou. - its level is by PLN 2.069 thou. lower in comparison with the same period of 2013. The total cost of sales for three quarters of 2014 amounted to PLN 8.579 thou. i są wyższe od poniesionych w stosunku do analogicznego okresu ubiegłego roku o 3.254 thou, i.e. o 61,1%.

The overhead costs in the Q3 2014 amounted to PLN 6.165 thou. – their level is lower by PLN 784 thou in comparison with the same period of 2013. The total overhead costs in the Q3 2014 amounted to PLN 19.375 thou, and compared to the result obtained in the same period of 2013 they were lower by PLN 624 thou, i.e.. 3,1%.

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

- other income:

	I-III Q 2014	I-III Q 2013
Dividends	107.989	55.961
Grants	1.622	395
Damages, penalties, reimbursement of legal costs	846	308
Termination of impairment of asset revaluation	286	-
Redemption of liabilities	90	397
Other	135	90
TOTAL	110.968	57.151

- other costs

	I-III Q 2014	I-III Q 2013
Impairment loss on assets	2.186	1.475
Receivables written off and barred	465	26
Establishment of reserves for liabilities	450	-
Legal costs, replacement process, penalties, damages	335	401
Grants	270	103
Collision repair	39	58
Compensatory pensions	30	136
Membership fees	27	33
Others	43	14
TOTAL	3.845	2.246

- other profit (loss)

	I-III Q 2014	I-III Q 2013
The result on foreign exchange transactions (for which no hedge accounting is carried out)	-50	788
Valuation of foreign currency transactions (for which no hedge accounting is carried out)	470	-251
Foreign exchange differences (except credit and loan)	812	1.057
Result from the sale and disposal of fixed assets	-32	90
Result from the sale of financial assets (shares, bonds)	-7.482	-
Revaluation of investments (valuation of loans, long-term accounts, shares)	-655	755
Other	-	-197
TOTAL	-6.937	2.242

In the period January – September 2014 the Company has obtained an operating result of PLN 102.145 thou.

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

- financial income:

	I-III Q 2014	I-III Q 2013
Interest	8.116	9.516
Positive balance of exchange rates	1.040	1.890
Other including:	2.660	3.878
• fees for providing limits ,suretys granted	2.523	3.840
• release of write downs on financial receivables	123	-
• release of provisions for liabilities	-	38
• other	14	-
TOTAL	11.816	15.284

- financial expenses:

	I-III Q 2014	I-III Q 2013
Interest	5.595	10.389
Negative balance of exchange rates	-	-
Other including:	1.853	4.328
• fees for providing limits ,suretys granted	1.722	4.318
• release of write downs on financial receivables	127	-
• established reserves for financial costs	-	2
• other	4	8
TOTAL	7.448	14.717

In the period January to September 2014 the Issuer obtained a positive balance on financial activities of PLN 4.368 thou.

In the period January to September 2014 the Issuer generated a net profit amounting to PLN 105.078 thou.

Ability to meet obligations

Economic and financial situation of the Company is reflected in the indicators of liquidity, which are respectively:

	30.09.2014	30.06.2014	31.12.2013
• current liquidity	1,41	1,26	1,15
• quick liquidity	1,39	1,25	1,15
• cash liquidity	0,07	0,05	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

	30.09.2014	31.12.2013
WHITE COLLAR WORKERS	1.632	1.696
BLUE COLLAR WORKERS	3.218	3.381
TOTAL	4.850	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.

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

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

The Group operates in a number of geographical areas and therefore the Company's management found it necessary to supplement revenues presented in different countries, due to the fact that the complexity of territorial activities of the Group. The following tables provide information about operating segments in the consolidated division of industry and geographical location.

CONSOLIDATED SEGMENT INFORMATION BY OPERATING INDUSTRY

	Mining		Manufacture and sale of industrial machinery and equipment		Sale of coal		Other activities		Eliminations from consolidation		Consolidated value	
	I-III Q 2014	I-III Q 2013	I-III Q 2014	I-III Q 2013	I-III Q 2014	I-III Q 2013	I-III Q 2014	I-III Q 2013	I-III Q 2014	I-III Q 2013	I-III Q 2014	I-III Q 2013
CONTINUED OPERATIONS												
Total revenues of the segment	979 230	902 578	12 609	10 343	40 047	11 986	69 946	88 850	-28 875	-39 126	1 072 957	974 631
Segment revenues from external clients	979 230	902 578	12 609	10 343	40 047	11 986	41 071	49 724	-	-	1 072 957	974 631
Revenue between segments	-	-	-	-	-	-	28 875	39 126	-28 875	-39 126	-	-
Result of the segment- gross result from sale	209 149	153 364	2 125	384	2 547	565	12 193	9 682	-	-	226 014	163 995
Operating result of the segment	110 697	72 139	-758	-2 461	274	79	3 747	-9 159	-	-	113 960	60 598
Result on financial activities of the whole group											-11 015	-15 188
Share in profit (loss) of the subordinated entities valued with the equity method											4 320	7 404
Gross profit											107 265	52 814
Income tax											21 551	10 970
Net consolidated profit from continued operations											85 714	41 844
Net consolidated profit from discontinued operations											122	530
Total net consolidated profit											85 836	42 374
Net profit (loss) contributable to non-controlling shareholders											1 122	1 017
Net profit contributable to the parent company's shareholders											84 714	41 357
incl:												
- from continued operations											84 592	40 827
- from discontinued operations											122	530

INFORMATION ON CONSOLIDATED REVENUES BY GEOGRAPHICAL DESTINATIONS

	Mining		Manufacture and sale of industrial machinery and equipment		Sale of coal		Other activities		Consolidated value	
	I-III Q 2014	I-III Q 2013	I-III Q 2014	I-III Q 2013	I-III Q 2014	I-III Q 2013	I-III Q 2014	I-III Q 2013	I-III Q 2014	I-III Q 2013
SOUTH AFRICA	38 910	36 703	-	-	-	-	-	-	38 910	36 703
ARGENTINA	199 036	111 505	-	-	-	-	-	-	199 036	111 505
AUSTRALIA	11 806	26 557	3	-	-	-	704	770	12 513	27 327
AUSTRIA	21	-	-	-	13 681	-	-	-	13 702	-
BELARUS	1 501	-	-	-	-	-	-	-	1 501	-
BOSNIA	26 328	56 298	-	-	-	-	52	-	26 380	56 298
CHINA	33 596	28 608	-	-	-	-	283	199	33 879	28 807
CZECH REPUBLIC	22 974	27 353	1 754	-	-	-	221	459	24 949	27 812
FRANCE	14 635	9 323	-	503	-	-	750	-	15 385	9 826
SPAIN	11	30	-	-	9 115	6 736	3	-	9 129	6 766
GERMANY	24 989	18 950	36	5 489	-	-	750	214	25 775	24 653
NORWAY	0	5 827	-	-	-	857	958	-	958	6 684
POLAND	550 267	449 076	9 282	2 920	1 234	-	38 912	45 733	599 695	497 729
RUSSIA	27 085	105 905	-	-	-	-	-1 849	1 737	25 236	107 642
SERBIA	13 886	9 975	1 035	1 431	-	-	228	602	15 149	12 008
SLOVAKIA	99	17	-	-	3 943	1 342	-	-	4 042	1 359
SWEDEN	226	137	-	-	12 074	3 051	-	-	12 300	3 188
TURKEY	9 376	12 672	-	-	-	-	-	-	9 376	12 672
UKRAINE	1 524	1 796	-	-	-	-	-	-	1 524	1 796
OTHER	2 960	1 846	499	-	-	-	59	10	3 518	1 856
Total sales	979 230	902 578	12 609	10 343	40 047	11 986	41 071	49 724	1 072 957	974 631

Information on the major external customers, from the revenues of which exceeds 10% or more of total revenue of the Group, ie. PLN 107,296 thou or more:

For the period January to September 2014 quantitative criterion defining the major client, was fulfilled with three counterparties. The revenues from major client amounted to PLN 197,560 thou 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 145,648 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 143,790 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 94,7% located in the country of origin of the Parent Company.

COMMENTARY ON THE FINANCIAL SITUATION

In the Q3 2014 sales revenue of the Group reached PLN 322,378 thou. and were lower than the same period last year by PLN 22,978 thou., i.e. 6,7%. The total sales revenue of the Capital Group for first 3 quarters of 2014 amounted to PLN 1,072,957 thou. and were higher than the same period last year by PLN 98,326 thou., i.e. by 10,1%.

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-III Q 2014	I-III Q 2013	I-III Q 2014	I-III Q 2013	I-III Q 2014	I-III Q 2013	I-III Q 2014	I-III Q 2013	I-III Q 2014	I-III Q 2013
Segment revenue	254 651	218 708	569 590	527 358	23 679	37 867	112 648	102 435	18 662	16 210
Segment results - gross profit on sales	50 698	38 818	117 847	82 219	-1 296	-4 402	34 589	32 283	7 311	4 446
Operating income of the segment	38 060	23 334	67 586	46 525	-14 882	-11 259	16 189	12 273	3 744	1 266

Geographical breakdown of revenues from sales in MINING segment:

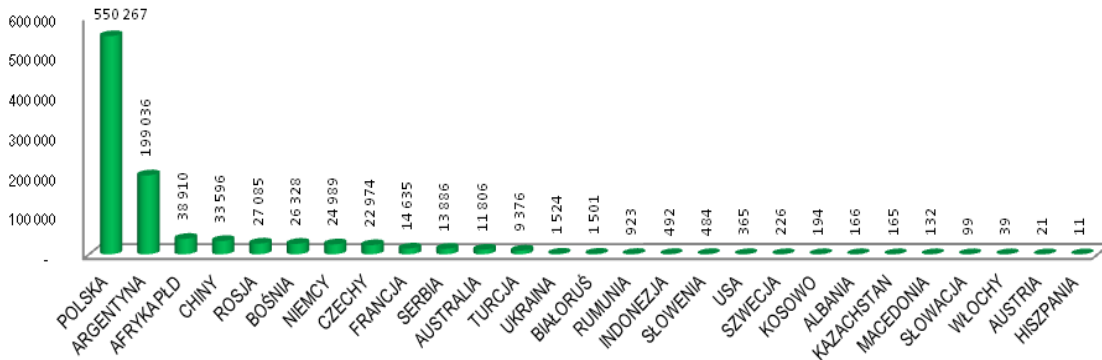
PLN THOU

	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-III Q 2014	I-III Q 2013	I-III Q 2014	I-III Q 2013	I-III Q 2014	I-III Q 2013	I-III Q 2014	I-III Q 2013	I-III Q 2014	I-III Q 2013
SOUTH AFRICA	-	-	-	-	-	-	38 910	36 703	-	-
ARGENTINA	-	-	199 036	111 505	-	-	-	-	-	-
AUSTRALIA	-	-	11 806	26 447	-	-	-	110	-	-
AUSTRIA	-	-	-	-	-	-	-	-	21	-
BELARUS	-	-	-	-	-	-	1 501	-	-	-
BOSNIA	-	-	25 647	55 739	-	-	-	-	681	559
CHINA	-	-	33 596	28 608	-	-	-	-	-	-
CZECH REPUBLIC	-	14 834	18 714	7 599	-	-	4 260	4 920	-	-
FRANCE	14 635	8 882	-	-	-	441	-	-	-	-
SPAIN	-	-	11	-	-	-	-	30	-	-
GERMANY	2 622	3 582	-	194	1 093	13 644	21 274	1 530	-	-
NORWAY	-	-	-	-	-	5 827	-	-	-	-
POLAND	227 713	178 097	253 460	189 545	13 215	15 494	43 496	58 528	12 383	7 412
RUSSIA	-	-	24 117	105 445	-	-	2 968	460	-	-
SERBIA	-	-	-	-	9 371	2 461	-	-	4 515	7 514
SLOVAKIA	-	-	-	-	-	-	13	17	86	-
SWEDEN	-	-	-	-	-	-	226	137	-	-
TURKEY	9 150	12 672	226	-	-	-	-	-	-	-
UKRAINE	-	-	1 524	1 796	-	-	-	-	-	-
OTHER	531	641	1 453	480	-	-	-	-	976	725
Total sale	254 651	218 708	569 590	527 358	23 679	37 867	112 648	102 435	18 662	16 210

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

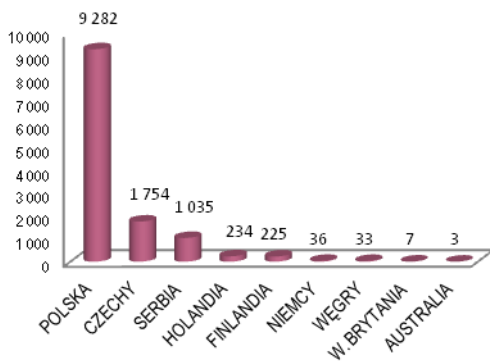
Mining

Share in total sales 91,3%



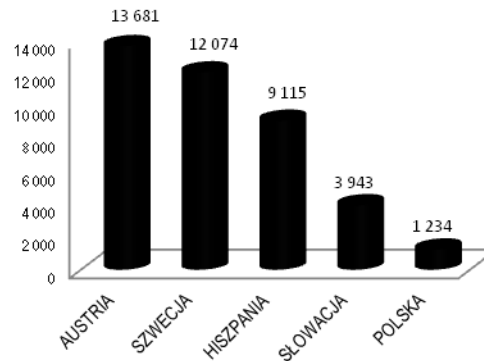
Industrial machinery and equipment

share in total sale amounted to 1,2%



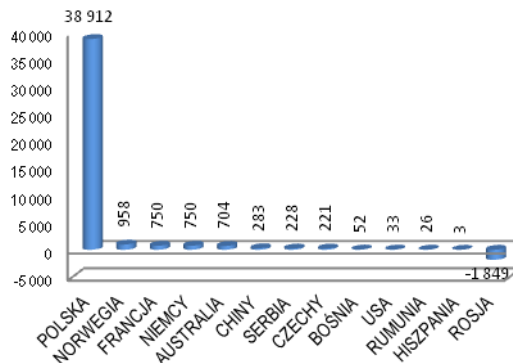
Sale of coal

share in total sale amounted to 3,7%



Other sale

share in total sale amounted to 3,8%



In the Q3 2014 the consolidated gross profit amounted to PLN 75.882 thou., and in comparison with the result earned in the same period of 2013 it decreased by PLN 873 thou. Cumulatively for the period Q1-Q3 2014 consolidated gross profit on sales amounted to PLN 226.thou., compared to the result obtained in the same period last year increased by PLN 62.019 thou. i.e. by 37,8%.

In the Q3 2014 the selling costs amounted to PLN 9.269 thou. – their level is by PLN 3.408 thou. lower in comparison with the result earned in the same period of 2013. The total selling costs in the period Q1-Q3 2014 amounted to PLN 34.531 thou. and are higher than those incurred in relation to the same period last year by PLN 7.726 thou., i.e. by 28,8%.

The overhead expenses in Q3 2014 amounted to PLN 24.116 thou. - their level is by PLN 6.694 thou. lower in comparison with the result earned in the same period of 2013. The total overhead expenses in the period Q1-Q3 2014 amounted to PLN 86.167 thou. and are lower than those incurred in relation to the same period last year by PLN 8.684 thou., i.e. by 9,2%. Other revenues and expenses incurred in the reporting period are shown in the table below [in PLN thou]:

- other revenues:

	I-III Q 2014	I-III Q 2013
Damages, penalties and legal costs	13.321	3.327
Grants	2.142	712
Sales of social services	622	545
Barred liabilities	101	897
Termination of impairment of asset revaluation	-	7.984
Dissolution of reserves	-	1.028
Other	1.354	1.299
TOTAL	17.540	15.792

- other expenses:

	I-III Q 2014	I-III Q 2013
The write-offs from the revaluation of assets	5.107	-
Penalties, court costs, damages	1.815	1.689
The cost of maintaining social facilities	1.101	927
receivables written off	545	-
Scrapping current assets	526	871
established reserves	327	-
compensatory pensions	82	351
The costs of abandoned development	-	28
inventory shortages	3	-
Others	2.189	2.041
TOTAL	11.695	5.907

- other profit (loss)

	I-III Q 2014	I-III Q 2013
The result on foreign exchange transactions (for which no hedge accounting is performed)	828	2.150
Valuation of foreign currency transactions (for which no hedge accounting is carried out)	-117	-101
Foreign exchange differences (except credit and loan)	3.720	-3.217
Gains and losses from the sale and liquidation of fixed assets	-84	7.737
Revaluation of investments (valuation of loans, long-term settlements, shares)	-800	339
Result from sale of financial assets (stocks, bonds)	1.532	1.635
Others	-2.280	-169
TOTAL	2.799	8.374

In the period January-September 2014 the Capital Group earned operating profit amounting to PLN 113.960 thou, it increased by PLN 53.362 thou. in comparison with the same period of 2013.

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

- financial revenues:

	I-III Q 2014	I-III Q 2013
Interest	7.703	13.840
Other including:	520	1.296
• release of reserves for financial costs	115	257
• commissions on guarantees and warranties	-	555
• reversal of impairment losses	-	299
• other	405	185
TOTAL	8.223	15.136

- financial costs:

	I-III Q 2014	I-III Q 2013
Interest	17.202	28.015
Other including:	2.036	2.309
• commissions on sureties and guarantees	877	2.112
• impairment losses on receivables	385	-
• other	774	197
TOTAL	19.238	30.324

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

	30.09.2014	31.12.2013
• current liquidity index	1,73	1,44
• quick liquidity index	1,29	1,06
• cash liquidity index	0,11	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.

In the period Q1-Q3 2014 consolidated gross profit amounted to PLN 107.265 thou.

For first 3 quarters of 2014 the Capital Group reported a net profit attributable to shareholders of the parent company in the amount of PLN 84.thou., including PLN 84.592 thou. From continued operations – and PLN 122 thou. from discontinued operations.

FINANCIAL SITUATION

Value of the consolidated balance-sheet sum at the end of Q3 2014 amounted to PLN 3.452.068 t thou in relation to the end of 2013 it decreased by PLN 23.197 thou, i.e. 0,7%. The main factor for decreasing the balance-sheet sum was a decrease in the value of assets by PLN 1.107 thou, i.e. (decrease in tangible fixed assets by 10,1%; reduction of investments accounted for under the equity method by 17,8%; reducing long-term lease receivables; reduction of deferred income tax by 7,3%; increase in other long-term assets) and a decrease in current assets by PLN 22.090 thou. i.e. by 2,0% (inventory reduction of 5,4%; decrease in short-term trade receivables and services by 8,6%; decrease in short-term lease receivables of 40,3%; decrease in the value of short-term loans by 26,5%; decrease in derivative financial instruments by 41,3%; decrease in cash and cash equivalents of 17,8% and an increase in assets under contracts for construction services by 41,0%).

The liabilities and shareholders' equity recorded an increase in group equity by PLN 90.085 thou, i.e. 3,6% and a decrease in the value of long-term liabilities by 17.795 thou, i.e. 14,5% (reduction in long term loans by 51,3%; decrease in other long-term liabilities by 46,3%) and a decrease in current liabilities by PLN 95.487 thou, i.e. 11,4% (decrease in short-term liabilities for goods and

services by 40.2%; decrease in other current liabilities by 46.2%; decrease in liabilities for current income tax by 18.8% and an increase in short-term accruals by 143.2%; an increase in short-term lease liabilities 20.0%; an increase in short-term borrowings by 3.6%).

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 Argentyna". 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 to 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 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 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.
- 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.
- 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.

- The Board of Kopex SA with its seat in Katowice (the Issuer) announces that on 21 July 2014 it received an information on extending the term of the agreement dated 20.11.2013 r. whose parties are Kompania Węglowa S.A. - as the Contracting Authority and KOPEX MACHINERY S.A. (a subsidiary of the Issuer) - as a Contractor. The subject of the above agreement is: Delivery of spare parts for scraper conveyors produced by RYFAMA to branch of Kompania Węglowa S.A. in 2013-2014. The original agreement was valid until 30.06.2014. However, as a result of failure to submit an Order by the Purchaser during the agreement validity during its term contracts with a total value of at least 50% of the total value of the Contract, according to the provisions of Agreement, the duration of its validity was extended until 30.09.2014. remaining provisions of the Agreement remain unchanged.
- The Board of Kopex SA with its seat in Katowice (the Issuer) announces that on 29 August 2014 2014 it received an information about the signing by KOPEX - Przedsiębiorstwo Budowy Szybów S.A. in Bytom (subsidiary) an Annex dated 26.08.2014 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 to implement the shaft pipe and double-sided shaft inlet in the shaft 1 BZIE in Jastrzębska Spółka Węglowa S.A. KWK Borynia-Zofiówka-Jastrzębie Ruch Zofiówka. An annex applies changes to the scope of physical and financial contracts (additional work). Accordingly, the parties agreed that the total value of the contract was increased by the amount of PLN 16.968.962,85 net i.e. to the total amount of PLN 258.634.659,10 net + VAT.
- The Board of Kopex SA with its seat in Katowice (the Issuer) announces that on 10 October 2014 it received a signed Agreement dated 01 October 2014, concluded between: KGHM Polska Miedź S.A. based in Lubin (Purchaser) and the Issuer subsidiary: KOPEX Machinery S.A. based in Zabrze (Contractor). Subject of agreement is execution work entitled: "Development of a prototype mining complex" in the framework of the Project: "Determination of the technical-technological and economic capabilities of mechanical mining excavation of the copper ore with use of mechanized mining longwall system and participation in service testing of a designed and built prototype." The agreement is an expression of the will of the parties that have expressed their intention to cooperate in the development and implementation of a prototype mechanized longwall system for excavating copper ore, which can be used in KGHM Polska Miedź S.A. underground copper ore mines.
The total value of the Contractor's remuneration is set at a flat rate and amounts to 47,822,336.00 zł net + VAT. The agreement will be implemented in three stages: Stage I - 20 months, the second stage - 16 months, Stage III - 7 months. Getting Started will take place after approval by the Purchaser of the project results implemented by the AGH in Krakow and the Contractor: "Design, construction and testing of the model of body for mechanical mining of copper ore."
The Issuer's subsidiaries, in the period from 16 December 2013 concluded number of agreements with KGHM Polska Miedź S.A. based in Lublin and its subsidiaries. The total value of these contracts exceeds 10% of the equity of the Issuer.
The total value of contracts concluded with KGHM Polska Miedź S.A. and its subsidiaries, of which the Issuer received information during the period from 16 December 2013 to 10 October 2014 amounts to PLN 175.762.336,00.

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 • Risks related to the current geopolitical situation in Ukraine and in Russia; • Risks related to the economic situation in Argentina; • Risk of executing works in the changing mining and geological conditions; • Delays in execution of certain contracts; • 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. At present, the Issuer has no hedging transactions to variable interest rates.

THE ISSUER - CURRENCY RISK

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 30.09.2014 the Company had open hedging foreign currency items in the following amounts:

- USD 2.584 thou.,
- EUR 35.798 thou.

As at 30.09.2014 the fair value of the aforesaid transactions was estimated at a total amount of PLN 6.535 thou. of which PLN 1.538 thou. were realised hedging transactions held in equity until the hedged forecast transaction incident, and PLN 4.997 thou. thou thee were unrealised transactions accounted for by valuation models used by banks in which the transactions were included.

The fair value of PLN 6.535 thou. consist of:

- the amount of PLN 3.548 thou. (This amount includes PLN 1.538 thou of the realised transactions and PLN 2.010 thou of the unrealised transactions) was recognised as revaluation of equity,
- the amount of PLN 2.987 thou. in the income statement. (This amount includes PLN 163 thou of the transactions for which hedge accounting is conducted).

As at 30.09.2014 there was a positive valuation the Company's hedging transactions made by the banks based on the following spot rates: USD: 3,2973; EUR: 4,1755.

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 30.09.2014 the Capital Group had open hedging foreign currency items in the following amounts:

- USD 2.584 thou.,
- EUR 41.540 thou

As at 30.09.2014 the fair value of the aforesaid transactions was estimated at a total amount of PLN 6.800 thou. of which PLN 1.538 thou. were realised hedging transactions held in equity until the hedged forecast transaction incident, and PLN 5.262 thou were unrealised transactions accounted for by valuation models used by banks in which the transactions were included.

The positive fair value of PLN 6.800 thou consist of:

- the amount of PLN 3.557 thou. was recognized as revaluation of equity. (This amount includes PLN 1.538 thou. of the realised transactions and PLN 2.019 thou of the unrealized transactions),
- the amount of PLN 3.243 thou in the income statement. (This amount includes PLN 162 thou of the transactions for which hedge accounting is conducted).

As at 30.09.2014 there was a positive valuation of the Company's hedging transactions made by the banks based on the following spot rates: USD: 3,2973; EUR: 4,1755.

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

The Annual General Meeting of KOPEX Spółka Akcyjna acting pursuant to art. 395 § 2 pkt 2) of the Commercial Companies Code, § 54 ust. 1 pkt 2) and § 61 ust. 1 pkt. 1) Articles of Association of the Company, after hearing the opinion of the Supervisory Board of „KOPEX” S.A. – decided to fully allocate the net profit for the year 2013 (amounting to PLN 65.132.788,07) 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

The total amount of loans and advances as at 30.09.2014, which was secured by a surety amounts to 204,509 thousand. zł. The remuneration of the issuer or a subsidiary of a surety or guarantee was set at vouches agreed between the company and the company for which there was granted a bail. 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

The factors that, in the opinion of the Issuer may have a significant impact on the financial results to be earned within at least one year 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 and Chinese market.
- Risks related to the current geopolitical situation in Ukraine and Russia. Russia is one of the important markets of the Group. Recent geopolitical and economic turbulence observed in the region, especially the events in Ukraine, could have had and could have a negative impact on the Russian economy, including the weakening of the Russian currency, rising interest rates and limited liquidity. These events, including current and future international sanctions with regard to Russian companies and citizens associated with the uncertainty and variability in the supply chain may affect the Group's operations. At the moment, the impact on the Group's financial situation is difficult to predict, as the future economic and regulatory situation may differ from the expectations of the Board. Management of the Group closely observes the development of events and adjusts strategic intentions in order to minimize currency risk and potential fluctuations in demand.
- Risks related to the economic situation in Argentina - the third largest economy in Latin America. Kopex Group involved in several mining projects in Argentina constantly analyzes the risks arising from the presence in this 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, building new competences.
- 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. In order to increase sales volume 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 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. 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 systems, 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.

- Further enhancement of product offerings of Kopex Africa - specializing in the production of power distribution stations in explosion-proof and fire-proof housing. High quality products means that the Company's key customers are the world's largest mining companies such as Sasol Mining, BHP Billiton, Glencore Xtrata

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 Taxes
Alina Mazurczyk

Katowice, 12.11.2014