

FINANCIAL SUPERVISION COMMISSION

P 2008 Semi-annual Report of KOPEX S.A.

(in compliance with Par.86, Cl.1. of the Minister of Finance Report dated 19 October 2005 – Dz.U.Nr. 209, poz.1744) for Security Issuers running manufacturing, construction, trading or rendering services activities) for 1st semester of 2008 fiscal year from 1 January 2008 until 30 June 2008, comprising Financial Statement according to International Accounting Standards IASs (MSR), in PLN, dated 16 September 2008

SELECTED FINANCIAL DATA	[PLN thou]		[EUR thou]	
	semester 2008	semester 2007	semester 2008	semester 2007
I. Net profit from sale of products, goods and materials	340,892	293,171	98,025	76,176
II.Profit (loss) from operating activity	12,830	7,740	3,689	2,011
III.Gross profit (loss)	7,042	7,299	2,025	1,897
IV.Net profit (loss)	5,533	5,032	1,591	1,307
V.Net cash flow from operating activity	76,749	-91,803	22,070	-23,857
VI. Net cash flow from investment activity	-14,460	-91,538	-4,158	-23,785
VII. Net cash flow from financial activity	-57,415	193,471	-16,510	50,270
VIII. Total net cash flow	4,874	10,130	1,402	2,632
IX. Total assets	1,454,776	514,590	433,718	136,648
X. Liabilities and reserves for liabilities	248,715	404,595	74,150	107,439
XI. Long term liabilities	2,625	4,104	783	1,090
XII. Short term liabilities	221,488	364,630	66,033	96,827
XIII. Equity	1,206,061	109,995	359,567	29,209
XIV. Share capital	67,633	19,893	20,164	5,283
XV. Number of shares	67,632,538	19,892,700	67,632,538	19,892,700
XVI. Net profit (loss) on one common share [PLN/EUR]	0.08	0.25	0.02	0.06
Net diluted profit (loss) on one common share [PLN/EUR]				
XVII. Book value on one common share [PLN/EUR]	17.83	5.53	5.32	1.47
Net diluted profit (loss) on one common share [PLN/EUR]				
Book value on one common share [PLN/EUR]				
Declared or paid dividend on one common share [PLN/EUR]				

FINANCIAL STATEMENTS

BALANCE SHEET [PLN thousand]	30/06/2008	30/12/2007	30/06/2007
Assets			
<u>I. Fixed assets</u>	<u>1,193,801</u>	<u>1,169,775</u>	<u>76,024</u>
1. Intangible assets	258	224	145
2. Tangible assets	18,856	12,393	8,345
3. Long-term receivables	2,778	3,006	3,022
3.1. due from related parties			
3.2. due from other entities	2,778	3,006	3,022
4. Long-terms investments	1,165,855	1,148,150	58,872
4.1. Real assets	1,287	8,786	8,899
	1,162,040	1,136,836	47,445
4.2. Long term financial assets			
a) in related parties	1,162,040	1,136,836	47,445
b) in other entities			
4.3. Long-term financial assets available for sale	2,528	2,528	2,528
5. Long-term accruals	6,054	6,002	5,640
5.1. Deferred income tax assets	6,054	6,002	5,640
<u>II. Current assets</u>	<u>260,975</u>	<u>379,852</u>	<u>438,566</u>
	4,884	4,984	5,662
1. Stocks			
2. Short-term receivables	148,331	266,542	274,835
2.1. from related parties	9,485	69,058	67,525
2.2. from other entities	138,846	197,484	207,310
3. Short-term investments	106,868	107,569	144,788
	106,868	107,569	144,788
3.1. Short-term financial assets			
a) in related parties	49,156	58,716	97,567
b) in other entities	23,822	20,085	11,687
c) cash and other cash assets	33,890	28,768	35,534
3.2. Short-term financial assets available for sale			
4. Short-term accruals	892	757	13,281
<u>Total assets</u>	<u>1,454,776</u>	<u>1,549,627</u>	<u>514,590</u>

Liabilities	30/06/2008	30/12/2007	30/06/2007
I. <u>Equity</u>	<u>1,206,061</u>	<u>1,194,605</u>	<u>109,995</u>
1. Share capital	67,633	67,633	19,893
2. Capital reserve	1,121,297	984,837	77,660
3. Revaluation reserve	11,598	5,675	7,410
4. Other reserve capital			
5. Retained profit (loss)			
6. Net profit (loss)	5,533	136,460	5,032
II. <u>Liabilities and reserves for liabilities</u>	<u>248,715</u>	<u>355,022</u>	<u>404,595</u>
1. <u>Reserves for liabilities</u>	<u>24,602</u>	<u>34,525</u>	<u>35,861</u>
1.1. Reserves for deferred income tax	8,270	9,613	11,584
1.2. reserves for pensions and similar benefits	1,175	2,728	2,819
a) long-term	266	2,041	2,202
b) short-term	909	687	617
1.3. Other reserves	15,157	22,184	21,458
a) long-term			
b) short-term	15,157	22,184	21,458
2. <u>Long-term liabilities</u>	<u>2,625</u>	<u>2,667</u>	<u>4,104</u>
2.1. to related parties			
2.2. to other entities	2,625	2,667	4,104
3. <u>Short-term liabilities</u>	<u>221,488</u>	<u>317,830</u>	<u>364,630</u>
3.1. to related parties	77,483	173,407	87,365
3.2. to other entities	144,005	144,423	277,265
<u>Total liabilities</u>	<u>1,454,776</u>	<u>1,549,627</u>	<u>514,590</u>
Book value	<u>1,206,061</u>	<u>1,194,605</u>	<u>109,995</u>
Number of shares	<u>67,632,538</u>	<u>42,781,663</u>	<u>19,892,700</u>
Book value per share (BVPS) in [PLN]	17.83	27.92	5.53

PROFIT AND LOSS ACCOUNT (P&L) [PLN thou]	from 01/01/2008 until 30/06/2008	from 01/01/2007 until 30/06/2007
	340,892	293,171
I. Net income from sale of products, goods and materials, incl:		
- from related parties	3,131	15
1. Net income from sale of products	41,179	43,728
2. Net income from sale of goods and material	299,713	249,443
II. Costs of products, goods and materials sold, incl.:	330,275	265,678
- to related parties	3,059	
1. Costs of manufacture of products sold	34,260	38,365
2. Value of goods and materials sold	296,015	227,313
III. Gross profit (loss) on sales (I-II)	10,617	27,493
IV. Other income	23,166	468
V. Selling costs	3,193	11,377
VI. Overheads	8,754	8,138
VII. Other costs	9,006	706
VIII. Operating profit (loss) (III+ IV-V-VI-VII)	12,830	7,740
IX. Financial income	6,900	10,250
1. Dividends, incl:		367
- from related parties		367
2. Interest, incl:	2,653	1,195
- from related parties	2,292	813
3. Income from investments sold		5,520
4. Revaluation of investments	3,335	2,612
5. Other	912	556
X. Financial costs	12,688	10,691
1. Interest, incl:	4,186	1,784
- from related parties	2,428	
2. Value of investments sold		5,275
3. Revaluation of investments	1,284	856
4. Other	7,218	2,776
XI. Gross profit (loss) (VIII+ IX-X)	7,042	7,299
XII. Income tax	1,509	2,267
a) current	4,139	1,905
b) deferred	-2,630	362
XIII. Net profit (loss) (XI-XII)	5,533	5,032
Net profit (loss)	5,533	5,032
Average weighed number of common shares	67,632,538	19,892,700
Profit (loss) per one common share (PLN)	0.08	0.25

STATEMENT OF CHANGES IN EQUITY [PLN thou]	from 01/01/2008 until 30/06/2008	from 01/01/2007 until 31/12/2007	from 01/01/2007 until 30/06/2007
I. Equity at the beginning of period (BO)	1,194,605	97,702	97,702
a) changes in accounting policy			
b) adjustments of basic errors			
I.a. Equity at the beginning of period (BO), after alignment for comparable data	1,194,605	97,702	97,702
1.1. Share capital at beginning of period (Note 10)	67,633	19,893	19,893
a) increase (by virtue of)		47,740	
- share emission		47,740	
b) decrease (by virtue of)			
1.2. Share capital at end of period (Note 10)	67,633	67,633	19,893
2.1. Reserve capital at beginning of period (Note 11)	984,837	67,193	67,193
a) increase (by virtue of)	136,460	917,644	917,644
- share emission over nominal value		907,177	
- profit share (over legally demanded minimum value)	136,460	10,467	10,467
- carried over from capital from revaluation			
b) decrease (by virtue of)			
2.2. Reserve capital at the end of period (Note 11)	1,121,297	984,837	77,660
3.1. Capital carried over from revaluation at the beginning of period (Note 12)	5,675	149	149
a) increase (by virtue of)	5,923	5,557	7,292
- actualization of long-term and short-term investments (Note 4E and 8E)			
- income tax deferred by virtue of investment actualization (Note 5 and 13A)			
- cash flow protection (Note 8C and 15D)	7,312	6,860	9,003
- income tax deferred by virtue of cash flow protection (Note 5 and 13A)	-1,389	-1,303	-1,711
b) decrease (by virtue of)		31	31
- sale of fixed assets			
- actualization of long-term and short-term investments (Note 4E and 8E)		39	39
- income tax deferred by virtue of cash flow protection (Note 5 and 13A)		-8	-8
3.2. Capital carried over from revaluation at the end of period (Note 12)	11,598	5,675	7,410
4. Profit (loss) of the last years at beginning of period	136,460	10,467	10,467
4. 1. Profit of the last years at beginning of period	136,460	10,467	10,467
4.2. Profit of the last years at beginning of period after alignment for comparable data	136,460	10,467	10,467
a) increase (by virtue of)			
b) decrease (by virtue of)	136,460	10,467	10,467
- compensation for the last years loss			
- loss coverage of the last years			
- reserve capital	136,460	10,467	10,467
- dividends			
4.3. Profit of the last years at the end of period			
4.4. Loss of the last years at the beginning of period			
4.5. Loss of the last years at beginning of period after alignment for comparable data			

c) increase (by virtue of)			
d) decrease (by virtue of)			
- compensation for the last years profit			
- loss coverage of the last years			
4.6. Loss of the last years at the end of period			
4.7. Profit (loss) of the last years at the end of period			
<u>5. Net result</u>	<u>5,533</u>	<u>136,460</u>	<u>5,032</u>
a) net profit	5,533	<u>136,460</u>	<u>5,032</u>
b) net loss			
II. <u>Equity at the end of period (BZ)</u>	<u>1,206,061</u>	<u>1,194,605</u>	<u>109,995</u>

CASH FLOW ACCOUNT	[PLN thou]	from 01/01/2008 until 30/06/2008	from 01/01/2007 until 30/06/2007
A. CASH FLOW FROM OPERATING ACTIVITY (indirect method)			
I. Net profit (loss)		5,533	5,032
II. Total adjustments		71,216	-96,835
1. Depreciation		1,692	1,745
2. (Profit) loss from differences in exchange rate		-248	605
3. Interest and share in profits (dividends)		2,764	1,189
4. (Profit) loss from investment activity		-1,992	-363
5. Change in reserves		-9,922	3,479
6. Change in inventories		100	-1,941
7. Change in receivables		118,492	-183,052
8. Change in short-term liabilities (with exception of loans and credits)		-44,754	76,268
9. Change in accruals		-188	7,219
10. Other adjustments		5,272	-1,984
III. Net cash flow from operating activity (I+/-II)		76,749	-91,803
B. CASH FLOW FROM INVESTMENT ACTIVITY			
1. Receipts		76,302	42,811
1. Sale of intangible assets and material fixed assets		49	159
2. Sale of real property and intangible assets investments		9,500	
3. From financial assets , including:		2,244	5,642
a) In associated companies		2,241	122
- Sale of financial assets			
- Dividends and share in profit			122
- Repayment of the long-term loans granted			
- Interest		2,241	
b) In other entities		3	5,520
- Sale of financial assets			5,520
- Dividends and share in profit			
- Repayment of the long-term loans granted			
- Interest		3	
4. Other investment receipts		64,509	37,010
II. Expenses		90,762	134,349
1. Purchase of intangible assets and material fixed assets		8,429	2,139
2. Real property and intangible assets investments			
3. For financial assets , including:		23,499	66
a) In associated companies		23,499	66
- Purchase of financial assets		23,499	66
- Long-term loans granted			
- Purchase of financial assets			
- Long-term loans granted			
b) In other companies			0
- Purchase of financial assets			
- Long-term loans granted			
4. Other investment expenses		58,834	132,144
III. Net cash flow from financial activity (I-II)		-14,460	-91,538

C. CASH FLOW FROM FINANCIAL ACTIVITY		
I. Receipts	123,430	198,936
1. From share emission, capital instructions and capital surcharge		
2. Credits and loans	123,430	198,936
3. Emission of indebted securities		
4. Other financial receipts	427	
II. Expenses	180,845	5,465
1. Acquisition of own shares		
2. Dividends and other payments for shareholders		
3. Other expenses than payments for shareholders from profit sharing		
4. Repayment of credits and loans	175,796	3,613
5. Repurchase of indebted securities		
6. From other financial liabilities		
7. Payment of liabilities form financial leasing agreements	41	540
8. Interest	4,769	1,066
9. Other financial expenses	239	246
III. Net cash flow form financial activity (I-II)	-57,415	193,471
D. TOTAL NET CASH FLOW (A.III+/- B.III+/- C.III)	4,874	10,130
E. BALANCE CHANGE IN CASH AND OTHER MONEY ASSETS, INCL:	5,122	9,525
-change in cash and other money assets from differences in exchange rates	248	-605
F. CASH AND OTHER MONEY ASSETS AT THE BEGINNING OF PERIOD	28,768	26,009
G. CASH AND OTHER MONEY ASSETS AT THE END OF PERIOD(F+/-E), INCL:	33,890	35,534
- of restricted possibility of commanding		