

(Translation from the Polish language)

FINANCIAL SUPERVISORY COMMISSION

Current report No 24/2013 P

Date: 12 March 2013

Issuer's shortened name: KOPEX SA

Subject: **Kopex Group's strategy 2013 - 2017**

Legal basis: Law on Offer, Art. 56, Par.1 Item 1 – confidential information

Contents of the report:

The Management Board of KOPEX SA (the Issuer) ensuring quality, transparency and reliability of communication with investors publishes the main objectives of the new „Kopex Group's strategy 2013-2017”.

1. Mission: „we develop and implement innovative technology, caring for the environment, in order to increase the safety and efficiency of our customers”.
2. Vision: „we achieve the position of number 1 or 2 in the world in selected product categories offered by Kopex Group”
 - we will provide world-class solutions, machinery and services in order to increase safety, efficiency and profitability of our customers, maximize the return for our shareholders and become a desirable employer,
 - our goal is to transform Kopex into a modern, innovative, high – tech and global Group,
 - we aspire to transform the Group's production profile in world-class expert in the field of extraction of coal and other minerals, an international company providing high-quality service for the mining and other industries,
 - we want to share common values: fair play, team spirit, leadership, EHS (Environment, Health, Safety).
3. Strategic objectives by 2017:
 - development of a customer-oriented organization
 - development of people and skills
 - achieving sustainable profits and business growth
 - focus on emerging markets
 - investment and M&A subject to the following criteria: minimum revenue growth of 8% per year, EBIT 25%, ROCE 40%
 - achieving a 50% share of after-sales services in revenues
4. Strategic financial objectives for the core business:
 - increase in revenues from core business to the value of PLN 3.5 billion in 2017
 - achieving ROCE 30-35% in 2017 (ROCE – return on capital employed = EBIT/(Fixed assets + Working capital)
 - achieving EBIT 21% in 2017
 - achieving 8% annual revenue growth after 2017

- achieving 17% increase of CAGR 2012-2017 resulting from the limited sales growth + new product offer + M&A
5. New model of management and operational structure.

Kopex Group will implement the adopted objectives basing on the new model of management and operational organization which provides creation of the following divisions:

- Business Area MINING, which will include three divisions: KOPEX MACHINERY, HANSEN ELECTRIC, KOPEX MINING and
- Business Area INDUSTRY, which will include KOPEX INDUSTRY division,

based on the companies belonging to KOPEX Capital Group.

Kopex Group plans to achieve sales within the Business Area MINING of PLN 3.1 billion.

Kopex Group plans to achieve sales within the Business Area INDUSTRY of PLN 0.4 billion.

6. Development of global sales markets – changing business model, involving departure from a typical manufacturing organization to an organization focused on building value-added for the customer. The following „Market Areas” have been defined, ie. sales operating units of Kopex Group and target shares in the geographical structure of Kopex Group’ sales, to be achieved in 2017:

- MA Europe – 24%
- MA Africa – 10%
- MA CIS – 14%
- MA Asia and the Pacific – 25%
- MA China – 20%
- MA America – 7%.

The purpose of MA is to offer a comprehensive portfolio of Kopex Group products and services in different markets.

7. Defined „Operational excellence” for Kopex Group, which include the following areas:

- financial excellence
- people competence excellence
- production excellence
- sales and marketing excellence
- service excellence
- R&D excellence
- supply chain excellence
- EHS excellence

Within „Financial excellence” specified the optimization plan under which it is planned to:

- reduction of fixed assets (properties and machines not used in the production process)
- reduction of current assets (primarily a reduction in inventories, including work in progress)
- reduction of financial debt

The main strategic objectives of Kopex Group for the years 2013-2017, provided in this current report are the objectives for which the management board of Kopex SA will strive during the implementation of the new strategy adopted. Financial objectives and assumptions presented in this report are not a prediction of expected financial result within the meaning of Cl.5 Par.1 Item 25 of the Minister of Finance Regulation dated 19 February 2009 on current and periodic information transmitted by issuers of shares and conditions of recognizing as equivalent the information required by legal regulations of a country that is not a member country (*Dz.U. z 2009, Nr 33 poz.259 ze zmianami*).

Legal basis for publishing: Cl.5 Par.1 Item 3 in relation with Cl.2 Par.2 and Cl.9 of the Minister of Finance Regulation dated 29 July 2005 on public offering, conditions governing the introduction of financial instruments to organised trading, and public companies (*Dz.U., Nr 184 poz.1539*) consolidated text of 9 October 2009 (*Dz.U., Nr 185 poz.1439*)