

FINANCIAL SUPERVISION COMMISSION

PS 2008 Semi-annual consolidated report

(in compliance with Par.86, Cl.2. 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 Consolidated Financial Statement according to International Accounting Standards IASs (MSR), in PLN, dated 31 October 2008

SELECTED FINANCIAL DATA	[PLN thou]		[EUR thou]	
	I semester 2008	I semester 2007	I semester 2008	I semester 2007
I. Net profit from sale of products, goods and materials	807,736	534,727	232,268	138,941
II.Profit (loss) from operating activity	62,519	46,984	17,978	12,208
III.Gross profit (loss)	50,850	584,475		
IV.Net profit (loss)	38,966	471,593	11,205	122,536
V.Net cash flow from operating activity	37,233	-187,417	10,707	-48,697
VI. Net cash flow from investment activity	-149,635	301,067	-43,028	78,228
VII. Net cash flow from financial activity	72,157	267,215	20,749	69,432
VIII. Total net cash flow	-40,245	380,865	-11,573	98,962
IX. Total assets	2,754,437	1,287,033	821,190	341,769
X. Liabilities and reserves for liabilities	667,895	501,845	199,122	133,264
XI. Long term liabilities	13,245	1,525	3,949	405
XII. Short term liabilities	574,320	441,770	171,224	117,311
XIII. Equity	2,086,542	785,188	622,068	208,505
XIV. Share capital	67,632	3,267	20,163	868
XV. Number of shares	67,632,538	47,739,838	67,632,538	47,739,838
XVI. Net profit (loss) on one common share [PLN/EUR]	0.58	9.88	0.17	2.57
Net diluted profit (loss) on one common share [PLN/EUR]				
XVII. Book value on one common share [PLN/EUR]	30.85	16.45	9.20	4.37
Book value on one common share [PLN/EUR]				
Declared or paid dividend on one common share [PLN/EUR]				

**Consolidated balance sheet of KOPEX S.A. Capital Group
executed on 30 June 2008 in thousand zlotys**

Assets	30/06/2008	31/12/2007	30/06/2007
I. Fixed assets	1,728,959	1,620,240	260,050
1. Intangible assets	30,808	19,084	3,704
2. Company's value of the subordinated entities	1,155,710	1,127,695	12,076
3. Tangible assets	469,107	415,912	216,964
4. Long-term receivables	3,141	3,687	
4.1. due from related parties			
4.2. due from other entities	3,141	3,687	
5. Long-term investments	44,311	29,801	20,057
5.1. Real estates	1,376	8,887	
5.2. Long term financial assets	40,402	18,386	20,057
a) in related parties	34,112	11,168	
b) in other entities	6,290	7,218	20,057
5.3. Long-term financial assets available for sale	2,533	2,528	
6. Long-term accruals	25,882	24,061	7,249
6.1. Deferred income tax assets	22,269	20,719	5,874
6.2. Other accruals	3,613	3,342	1,375
II. Current assets	1,025,478	980,657	1,026,983
1. Stocks	441,359	349,024	234,652
2. Short-term receivables	417,225	441,770	184,120
2.1. from related parties	2,433	1,013	
2.2. from other entities	414,792	440,757	184,120
3. Short-term investments	146,665	178,099	602,799
3.1. Short-term financial assets	145,827	178,099	602,799
a) in related parties			8
b) in other entities	36,195	28,688	186,488
c) cash and other cash assets	109,632	149,411	416,303
3.2. Short-term financial assets available for sale			
3.3. Other financial investments	838		
4. Short-term accruals	20,229	11,764	5,412
Total assets	2,754,437	2,600,897	1,287,033
Liabilities			
I. Equity	2,086,542	2,049,482	785,188
1. Share capital	67,632	67,632	3,267
2. Capital reserve	1,877,931	1,363,146	256,391
3. Revaluation reserve	51,551	45,346	50,646
4. Other reserve capital	3,932	3,903	4,050
5. Exchange rate differences resulting from conversion	-6,203	-683	
6. Profit (loss) from the last years	-17,138	-3,426	-5,439
7. Net profit (loss)	38,966	499,814	471,593
8. Minority shareholders capital	69,871	73,750	4,690
II. Liabilities and reserves for liabilities	667,895	551,415	501,845
1. Reserves for liabilities	72,577	79,227	57,025
1.1 Reserves for deferred income tax	22,860	23,704	41,415
1.2. Reserves for pensions and similar benefits	18,839	16,618	2,881
a) long-term	13,411	13,247	2,252
b) short-term	5,428	3,371	629
1.3. Other reserves	30,878	38,905	12,729
a) long-term	579	250	250
b) short-term	30,299	38,655	12,479
2. Long-term liabilities	13,245	14,917	1,525
2.1. to related parties	331	482	11
2.2. to other entities	12,914	14,435	1,514
3. Short-term liabilities	574,320	451,594	441,770
3.1. to related parties	14,597	111	
3.2. to other entities	559,723	451,483	441,770
4. Accruals	7,753	5,677	1,525
a) long-term	5,931	5,113	1,451
b) short-term	1,822	564	74
Total liabilities	2,754,437	2,600,897	1,287,033
Book value	2,086,542	2,049,482	785,188
Number of shares	67,632,538	57,277,434	47,739,838
Book value per share (BVPS) in [PLN]	30.85	35.78	16.45

**Consolidated profit and loss account (P&L) of KOPEX S.A. Capital Group
executed from 1 January 2008 until 30 June 2008 in thousand zlotys**

	from 01/01/2008 until 30/06/2008	from 01/01/2007 until 30/06/2007
I. Net income from sale of products, goods and materials, incl:	807,736	534,727
- from related parties	386	
1. Net income from sale of products	466,356	251,940
2. Net income from sale of goods and material	341,380	282,787
II. Costs of products, goods and materials sold, incl.:	689,816	432,459
- to related parties	4	
1. Costs of manufacture of products sold	434,057	270,426
2. Value of goods and materials sold	255,759	162,033
III. Gross profit (loss) on sales (I-II)	117,920	102,268
IV. Other income	35,310	6,993
V. Selling costs	9,541	14,374
VI. Overheads	66,638	41,735
VII. Other costs	14,532	6,168
VIII. Operating profit (loss) (III+ IV-V-VI-VII)	62,519	46,984
IX. Financial income	11,541	185,299
1. Dividends, incl:	2	3,916
- from related parties		
2. Interest, incl:	4,165	2,974
- from related parties		
3. Income from investments sold		27,661
4. Revaluation of investments	4,411	149,629
5. Other	2,963	1,119
X. Financial costs	23,213	30,720
1. Interest, incl:	8,904	5,730
- from related parties	4	
2. Value of investments sold		18,535
3. Revaluation of investments	1,933	1,023
4. Other	12,376	5,432
XI. Profit (loss) on sale of total number of part of shares of the affiliated entities		382,779
XII. Company's value contribution of the affiliated entities		
XIII. Sharing surplus in net equitable assets value of the entity being taken over, above fusion cost	3	133
XIV. Gross profit (loss) (VII+IX+X+XI+XII+XIII)	50,850	584,475
XV. Income tax	9,848	109,270
a) current part	13,974	88,746
b) deferred part	-4,126	20,524
XVI. Share in profit of the subordinated entities; evaluated basing on ownership method	766	504
XVII. Profit(loss) of the minority shareholders	-2,802	-4,116
XVIII. Net (loss) profit (XIV-XV+XVI+XVII)	38,966	471,593
Net (loss) profit	38,966	471,593
Average weighed number of common shares	67,632,538	47,739,838
Profit (loss) per one common share (PLN)	0.58	9.88

**Consolidated statement of changes in equity of KOPEX S.A. Capital Group
executed on 30 June 2008 in thousand zlotys**

	30/06/2008	31/12/2007	30/06/2007
I. Equity at the beginning of period (BO)	2,049,482	356,856	356,856
a) changes in accounting policy			
b) adjustments of basic errors	-1,365	3	3
I.a. Equity at the beginning of period (BO), after alignment for comparable data	2,048,117	356,859	356,859
1.1. Share capital at the beginning of period	67,632	3,267	3,267
a) increase (by virtue of)		64,365	
- reverse takeover		64,365	
b) decrease (by virtue of)			
1.2. Share capital at the end of period	67,632	67,632	3,267
2.1. Reserve capital at the beginning of period	1,363,146	205,458	205,458
a) increase (by virtue of)	514,868	1,173,749	67,079
- reverse takeover		1,106,654	
- profit distribution	513,946	67,062	67,062
- capital from pricing actualization	31		17
- consolidation revision	866	-86	
- revaluation of tangible fixed assets		119	
- amortization of partial liabilities resulting from composition proceedings	25		
b) decrease (by virtue of)	83	16,061	16,146
- loss coverage	83	4,761	4,550
- consolidation revision		158	
- squaring the accounts of a subsidiary sale		11,142	454
- elimination of a subsidiary from consolidation			11,142
2.2. Reserve capital at the end of period	1,877,931	1,363,146	256,391
3.1. Capital carried over from revaluation at the beginning of period	45,346	45,833	45,833
a) increase (by virtue of)	7,850	6,438	7,636
- decrease in reserve of income tax form tangible fixed assets			
- long-term investment actualization	1		
- assets and reserves for income tax deferred for long-term investments actualization		367	
- cash- flow safeguarding	8,151	6,860	9,003
- assets and reserve for income tax deferred from cash flow safeguarding	-1,479	-1,214	-1,711
- sale of tangible assets		-320	
- difference between the acquired share value and contribution in kind		320	320
- incorporation of a subsidiary into consolidation	381	105	
- liquidation in 2006 revaluated fixed tangible assets- transfer from the item: indivisible outcome for the past years			24
- consolidation revision	787	320	
- exchange-rate differences resulting from recounting	9		
b) decrease (by virtue of)	1,645	6,925	2,823
- sale of fixed assets contributed in kind	43		
- reverse takeover		1,187	
- Liquidation in 2006 revaluated fixed tangible assets- transfer from the item: indivisible outcome for the past years		2,485	126
- actualization of long-term and short-term investments	17	39	39
- sale and liquidation of tangible fixe assets	2,007	116	17
- deferred income tax from long-term investment actualization			-7
- cash- flow safeguarding	-472	472	2,823
- incorporation of a subsidiary into consolidation		-22	
- alignment of minority shareholders capital due to IASs implementation		2,648	2,648
- consolidation revision	16		
- exchange-rate differences resulting from recounting	34		
3.2. Capital carried over from revaluation at the end of period	51,551	45,346	50,646

4. 1. Other capital reserves at the beginning of period	3,903	4,050	4,050
a) increase (by virtue of)	35	943	800
- profit distribution	30	800	800
- reverse takeover		143	
- consolidation revision	5		
b) decrease	6	1,090	800
- contribution to the Company Social Benefits Fund (ZFSS)		50	
- bonus installment for staff		800	
- reverse takeover		240	
- consolidation revision	6		
4.2. Other capital reserves at the at the end of period	3,932	3,903	4,050
5.1. Exchange-rate changed resulting from recounting at the beginning of period	-683	-4	-4
- changes in the current year	-5,520	-679	4
5.2. Exchange-rate changesresulting from recounting at the end of period	-6,203	-683	0
6.1. Profit (loss) of the last years at the beginning of period	496,388	50,933	50,933
a) revision of essential errors	-1,365	3	3
6.2. Profit of the last years at beginning of period after alignment for comparable data	495,023	50,936	50,936
a) increase (by virtue of)	6,361	33,356	14,312
- supplementary capital	82	4,761	4,555
- reverse takeover		17,528	
- liquidation of tangible fixed assets- net value difference concerning evaluation of equitable values – transfer from the item: capital from evaluation actualization	2,007	2,482	126
- squaring sale of a subsidiary	9		1,192
- exclusion of subsidiary from consolidation		7,667	7,521
- loss coverage	800	918	918
- consolidation revision	3,463		
b) decrease (by virtue of)	518,522	87,718	70,687
- revision of essential errors	1,903	82	837
- reverse takeover		17,520	
- reserve for deferred income tax concerning difference of liquidated tangible fixed assets net – transfer form the item: capital from evaluation actualization	381	472	
- supplementary capital	513,947	67,062	67,062
- reserve capital	30		
- loss coverage	800	918	1,964
- reserve for for income tax concerning tangible fixed assets			24
- profit installment for staff		800	800
- dividends	222		
- consolidation revision	1,239	864	
6.3. Profit (loss)of the last years at the end of period	-17,138	-3,426	-5,439
7. Net result	38,966	499,814	471,593
a) net profit	38,966	499,814	471,593
b) net loss			
8.1. Minority shareholders capital at the beginning of period	73,750	47,319	47,319
a) increase	13,297	75,652	6,322
b) decrease	17,176	49,221	48,961
8.2. . Minority shareholders capital at the end of period	69,871	73,750	4,680
II. Equity at the end of period (BZ)	2,086,542	2,049,482	785,188

**Consolidated cash flow account of the KOPEX S.A. Capital Group
executed from 1 January 2008 until 30 June 2008 in thousand zlotys**

	from 01/01/2008 until 30/06/2008	from 01/01/2007 until 30/06/2007
A. CASH FLOW FROM OPERATING ACTIVITY		
I. Net profit (loss)	38,966	471,593
II. Total adjustments	-1,733	-659,010
1. Profit (loss) of minority shareholders	2,802	4,116
2. Profit (loss) resulting from shares in the associated entities which are commercial companies of the correlated entities	-766	-504
3. Depreciation	28,769	19,981
4. Deduction of the company's value or surplus of net equitable assets value of the entity being taken above fusion costs	-3	-133
5. (Profit) loss from differences in exchange rate	-7,701	51
6. Interest and share in profit (dividends)	4,961	-1,848
7. (Profit) loss from investment activity	-6,719	-401,613
8. Change in reserves	-6,650	-15,072
9. Change in inventories	-92,336	-117,033
10. Change in receivables	33,208	51,067
11. Change in short-term liabilities (with exception of loans and credits)	24,561	35,052
12. Change in accruals	-8,209	29,389
13. Other adjustments	26,350	-262,463
III. Net cash flow from operating activity (I+II)	37,233	-187,417
B. CASH FLOW FROM INVESTMENT ACTIVITY		
I. Receipts	20,353	494,375
1. Sale of intangible and legal assets as well as material fixed assets	795	2,232
2. Sale of real property and intangible assets investments	9,501	
3. From financial assets, including:	38	457,987
a) in associated companies	1	439,936
- Sale of financial assets	1	439,936
- Dividends and share in profits		
- Repayment of the long-term loans granted		
- Interest		
- Other receipts from financial assets		
b) In other companies	37	18,501
- Sale of financial assets		14,023
- Dividends and share in profits	1	4,002
- Repayment of the long-term loans granted		
- Interest	35	13
- Other receipts from financial assets	1	13
4. Other investment receipts	10,019	34,156
II. Expenses	169,988	193,308
1. Acquisition of intangible and legal assets as well as material fixed assets	70,034	34,626
2. Investing in real estate and intangible assets		
3. For financial assets, including:	88,709	309
a) In associated companies	88,709	265
- Acquisition of financial assets	76,553	265
- Long-term loans granted	12,156	
- Other expenses on financial assets		
b) In other companies		44

- Acquisition of financial assets		44
- Long-term loans granted		
- Other expenses on financial assets		
4. Other investment expenses	11,245	158,373
III. Net cash flow from investment activity (I-II)	-149,635	301,067
C. CASH FLOW FROM FINANCIAL ACTIVITY		
I. Receipts	236,596	381,734
1. From share emission, capital instruments and capital surcharge	1	50
2. Credits and loans	234,821	381,680
3. Emission of indebted securities		
4. Other financial receipts	1,774	4
II. Expenses	164,439	114,519
1. Acquisition of own shares		
2. Dividends and other payments for shareholders	564	
3. Other expenses than payments for shareholders from profit sharing		800
4. Repayment of credits and loans	156,383	106,737
5. Repurchase of indebted securities		
6. From other financial liabilities		
7. Payment of liabilities form financial leasing agreements	610	1,435
8. Interest	6,603	5,271
9. Other financial expenses	279	276
III. Net cash flow from financial activity (I-II)	72,157	267,215
D. TOTAL NET CASH FLOW (A.III+/-B.III+/-C.III)	-40,245	380,865
E. BALANCE CHANGE IN CASH AND OTHER MONEY ASSETS, INCL.	-39,779	380,833
- change in cash and other money assets from differences in exchange rates	466	-32
F. CASH AND OTHER MONEY ASSETS AT THE BEGINNING OF PERIOD	149,411	35,470
G. CASH AND OTHER MONEY ASSETS AT THE END OF PERIOD (F+/-E), INCL.:	109,632	416,303
- of restricted possibility of commanding	2,280	632