

General information on the Group

The KGHM Polska Miedź S.A. Group has developed over the last 20 years. During the initial phase, most entities emerged as a result of separation of specific operational areas of KGHM. In this way, in 1993 the Group's first companies were founded. In subsequent years, there were changes to the composition of the Group and the number of entities it contained.



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The Parent Entity of the Group is KGHM Polska Miedź S.A. At the end of 2012 the KGHM Group numbered 85 entities, including three closed-ended non-public investment funds. Additionally, the KGHM Group held stakes in two associates and two joint ventures.

The structure of the Group changed considerably following the acquisition which took place in the first half of 2012, when KGHM Polska Miedź S.A. took over 100% of the shares of Quadra FNX Mining Ltd. based in Vancouver (forming a separate Group). As a result, the number of companies making up the KGHM Group increased by 34 entities. The takeover of Quadra FNX Mining Ltd. (currently KGHM INTERNATIONAL LTD.) has been the largest capital investment in the history of the KGHM Group, of critical significance for the achievement of the Group's strategy which focuses mainly on expansion of the resource base to grow the production of copper. Thanks to the acquisition, the production of mined copper in the KGHM Group in 2012 increased by more than 100 thousand tonnes. The overall copper production totalled 673.3 thousand tonnes i.e. 18% up on 2011 and in 2018 is expected to exceed 180 thousand tonnes a year which means a 25% increase versus the pre-acquisition level of KGHM Group production.

The core activity of KGHM INTERNATIONAL LTD. Group is the mining production of metals (mainly copper and also nickel, gold, platinum and palladium) at its mines situated in the USA, Chile and Canada. Additionally, a number of mining projects in the pre-operational stage are carried out in Chile, Canada and Greenland, as well as exploratory projects.

As a result of the takeover of KGHM INTERNATIONAL LTD., KGHM Polska Miedź S.A. has become a global mining corporation with geographically diversified production assets and mining projects situated in low-risk countries. In 2012, the KGHM Group moved up to the seventh place (versus ninth in 2011) in the global ranking of mining manufacturers of copper.

The scope of operations of other members of the KGHM Polska Miedź S.A. Group is wide and varied. The Group companies offer products and services associated with the core business of KGHM (including exploration for and mining of deposits of copper and other metals; mine construction; generation of electricity and heat; mining equipment and machinery; research and development) and unrelated to the technological processes of KGHM, such as companies, mainly manufacturing, provide services to transport, commerce, healthcare or capital investments. A great majority of the companies, mainly manufacturing undertakings, provide services to KGHM.