

Company profile

Calendar 2012

JANUARY

"The One Who Changes Polish Industry" title awarded to the President of KGHM Polska Miedź S.A.

The editors of the New Industry business monthly, the wnp.pl portal and the PTWP Group for the twelfth time awarded their titles of honour "The One Who Changes Polish Industry", one of the most prestigious distinctions granted by the Polish business media. In January 2012, the title of "The One Who Changes Polish Industry" went to Herbert Wirth, President of KGHM, in recognition of effective management of the gigantic business organisation, setting clear goals and supporting their successful achievement and implementation of the company's long-term development strategy.



FEBRUARY

Consent of the shareholders of QUADRA FNX Mining Ltd. to accept KGHM's offer

In February, the shareholders of QUADRA FNX approved, by a required majority of over 2/3 of the votes cast, a friendly takeover of their company by KGHM. "The transaction is of strategic significance to KGHM and is expected to secure our future profits, build value for the shareholders and give the Company a competitive position on the global market", said Herbert Wirth, President of KGHM Polska Miedź S.A. "It also enhances the position of the Polish economy as the manufacturer of strategic raw materials and rare metals".



MARCH

KGHM becomes the owner of the Canadian company QUADRA FNX Mining Ltd.

On 5 March 2012, the transaction of a friendly takeover of QUADRA FNX Mining Ltd., a company from Canada, by KGHM was finalised. The value of the transaction amounted to CAD 2.9 bn. The company is also a co-owner of the world-class Sierra Gorda project in Chile. The acquired rich deposits guarantee secure supplies of resources to Polska Miedź and the global economy. The name and the logotype of the acquired company were replaced with a new name: KGHM International Ltd. The image unification will speed up the integration process and increase global recognition of KGHM brand. Thanks to successful completion of the transaction, the KGHM Group has now a diversified portfolio of assets in low-risk countries and a range of projects ensuring expansion of the existing resource base.



Polska Miedź: Company of the Year

Once again, KGHM Polska Miedź S.A. was among the winners of the "Bulls and Bears" competition organised by the Parkiet Stock Exchange Gazette, this time in the 'Company of the Year' category. KGHM has been awarded in the competition for the third year running and the most recent award recognizes the company's achievements to date and above-average financial performance. The 'Bull and Bear Statuettes' are presented every year to the best companies, best general managers and capital market experts.

APRIL

KGHM leads the Golden Share TSR 2012 ranking

Polska Miedź has been ranked among the best companies on the Warsaw Stock Exchange offering the highest shareholder value. The Golden Share ranking has been prepared by biznes.pl portal on the basis of the TSR index, a comprehensive measure of the market opinion about companies' operations



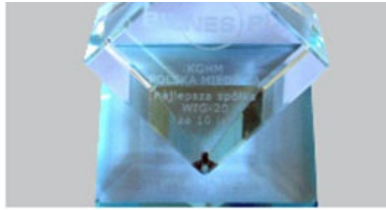
and plans. The review was prepared for two periods of time: a 3-year period (2009–2011) and a 10-year period (2002–2011). Both perspectives are interesting since they cover the time of the economic crisis.

Concession 2013 KGHM halfway through the process

The procedure of renewal of copper ore mining concessions initiated in 2010 entered the decisive stage. The environmental reports, reviewed by the local authorities of the mining municipalities and supplemented by KGHM, were resubmitted to the Regional Environmental Protection Director in Wrocław. On the basis of the reports, the environmental decision, a crucial component of concession applications, will be issued. KGHM had applied for concessions for five deposits: Rudna, Sieroszowice, Polkowice, Lubin-Małomice and Radwanice East situated on the territory of five mining municipalities. The validity of the current concessions expires at the end of 2013. The Company is hoping to obtain concessions for 50 years (valid until 2063), the maximum validity period which can be applied for under the legal regulations currently in force.

KGHM the largest silver producer in the world

KGHM produces silver with more than 99.99% of Ag content, in the form of bars and granules. In 2012, the Company manufactured 1 274 tonnes of silver which made it number one in silver production according to the World Silver Survey.



MAY

Polish government members visit a mine of KGHM INTERNATIONAL LTD. in Canada

A delegation of the Polish government headed by Donald Tusk, Poland's Prime Minister, and Mikołaj Budzanowski, Minister of Treasury, visited one of the mines owned by KGHM INTERNATIONAL LTD. in Canada.



JUNE

"Energy and Resources in Geopolitics"

Raw material resources strengthen not only economic but also political position of the countries which control such resources directly or indirectly. KGHM Polska Miedź S.A. was an organiser of a conference "Energy and Resources in Geopolitics" during which discussions were held on such subjects as the role of raw materials in international politics and the building of mineral security in the European Union.

JULY

Five companies signed an agreement on shale gas prospecting

In 4 July 2012, KGHM, Tauron Polska Energia, PGNiG, ENEA and PGE signed an agreement on shale gas prospecting which will speed up exploration for shale gas. The first supply of gas from the joint project can be expected already in 2016.

2nd International Congress of Copper Ore Mining in Lubin

"Prospects and Development Directions" was the motto of the 2nd International Congress of Copper Ore Mining attended by approximately 400 participants. The Congress was an excellent opportunity for sharing information and experience in the area of copper ore mining. The side event was an exhibition of mining machinery and equipment. The programme council presented special awards for the most innovative product, best stand and the best speech.



AUGUST

KGHM once again listed in the RESPECT Index

On 31 July 2012, the Warsaw Stock Exchange announced the new composition



of the RESPECT Index of socially responsible companies. Twenty companies qualified to the 5th edition of the Index, including KGHM. A number of areas were taken into account in the review, such as the company's communication with various shareholder groups, ethical standards in force in the Company, conformance with the corporate governance principles, quality of management, stock exchange performance and sustainable development.



KGHM President among the best managers in times of crisis

Herbert Wirth, President of KGHM Polska Miedź S.A., found himself on the TOP 20 List of Best Managers in Times of Crisis. The KGHM President was honoured in a special way, receiving the highest number of votes from the survey participants. The ranking was prepared by Bloomberg Businessweek Poland and is a list of Top 20 managers resistant to difficult situations, ready to face challenges in an unfavourable economic environment.

"The key to success is peace of mind, persistence, good relationship with the employees and mutual trust", said Herbert Wirth. "Times of crisis can be used to strengthen the company's position and we succeed in doing that. Our goal is clear. We want KGHM to be an even more successful and more competitive copper and silver producer in the world."

SEPTEMBER

TAURON and KGHM set up a company to build a gas and steam block

On 5 September 2012, KGHM Polska Miedź S.A. and TAURON Wytwarzanie, a subsidiary of TAURON Polska Energia, founded a special purpose company Elektrownia Blachownia Nowa to take care of the complex execution of the investment project which would include preparations, construction and operation of a gas and steam block with a capacity of approximately 850 MW, on the grounds of Elektrownia Blachownia in Kędzierzyn-Koźle, a manufacturing company from the TAURON Group. Both partners took up 50% stakes in the company's share capital.



KGHM President awarded the title of a Visionary 2012

Herbert Wirth was considered one of the five managers and business people who, despite unfavourable market environment, successfully completed major projects with a significant, positive impact on the financial standing of their companies. The competition is organized by Gazeta Prawna daily.

OCTOBER

THE BEST OF THE BEST

KGHM received a special Best of The Best award for the 2011 Annual Report and won the first place for the online version of its annual report. Apart from the financial statements, the judges appreciated the content of the report on the Company's activities and the usefulness of the Marketing Report, a very important tool for the stakeholders, in the context of conformance with the corporate governance principles, the HR policy or environmental activities.

"Our report is read by very different audiences from the world of finance, business but also social work. We are trying to present the data in a way which would be clear and comprehensible for everyone," said Włodzimierz Kiciński, First Vice-President of the Board in charge of Finance who collected the statuette.



NOVEMBER

Think Tank "POLAND, GO GLOBAL!"

A Think Tank promoting international expansion of Polish companies called "POLAND, GO GLOBAL!" was launched at the initiative of KGHM, as a joint project implemented together with ICAN Institute. Its objective is to disseminate knowledge and experience concerning internationalisation of Polish companies and to create a platform for collaboration and sharing best practices between companies. In November, the opening conference of the project was held, attended by over 200 representatives of the Polish business community.



KGHM – the Pearl of the Polish Economy

The Large Pearl was once again awarded to KGHM in the 10th edition of the



ranking published by the Polish Market business magazine. KGHM received the Large Pearl in the category of companies with revenues over PLN 1 billion in 2011. "Our brave thinking and persistence in actions was appreciated. The key to success is the vision, determination, good relationship with the employees and mutual trust. This is how a company builds its value. We treat this award as a token of appreciation of our perseverance in the strategy implementation and efforts undertaken to become a global organisation" said Herbert Wirth, KGHM President.



▶ DECEMBER

200 million zlotys for research and development in the non-ferrous metals industry

PLN 200 million will be spent on research on the development and implementation of innovative technologies in the widely understood non-ferrous metals sector. The relevant agreement was signed by the representatives of the National Research and Development Centre and KGHM Polska Miedz S.A., under the auspices of the Minister of Science and Higher Education.