

**POLISH FINANCIAL SUPERVISION AUTHORITY**

**Annual report R 2007**

(In accordance with § 86, section 1 point 3 of the Decree of the Minister of Finance dated October 19, 2005  
– Journal of Laws No 209, point 1744)

**for issuers of securities involved in production, construction, trade or services activities**

For the financial year 2007 comprising the period from **1 January 2007** to **31 December 2007**  
Containing the financial statements according to International Financial Reporting Standards in PLN.

publication date: 11 March 2008

<b>KGHM Polska Miedź Spółka Akcyjna</b> (name of the issuer)	
<b>KGHM Polska Miedź S.A.</b> (name of issuer in brief)	<b>Metals industry</b> (issuer branch title per the Warsaw Stock Exchange)
<b>59 301</b> (postal code)	<b>LUBIN</b> (city)
<b>M. Skłodowskiej – Curie</b> (street)	<b>48</b> (number)
<b>(48 76) 74 78 200</b> (telephone)	<b>(48 76) 74 78 500</b> (fax)
<b>IR@BZ.KGHM.pl</b> (e-mail)	<b>www.kghm.pl</b> (website address)
<b>692-000-00-13</b> (NIP)	<b>390021764</b> (REGON)

Ernst & Young

(Entity entitled to audit financial statements)

SELECTED FINANCIALS ITEMS	in '000 PLN		in '000 EUR	
	year 2007 period from 1 January 2007 to 31 December 2007	year 2006 period from 1 January 2006 to 31 December 2006	year 2007 period from 1 January 2007 to 31 December 2007	year 2006 period from 1 January 2006 to 31 December 2006
I. Sales	12 183 113	11 669 730	3 225 777	2 992 929
II. Operating profit	4 682 034	4 402 596	1 239 683	1 129 131
III. Profit before income tax	4 655 530	4 380 045	1 232 665	1 123 348
IV. Profit for the period	3 798 826	3 604 988	1 005 832	924 569
V. Number of shares issued	200 000 000	200 000 000	200 000 000	200 000 000
VI. Earnings per ordinary share (in PLN/EUR)	18.99	18.02	5.03	4.62
VII. Net cash generated from operating activities	4 456 322	2 560 047	1 179 920	656 574
VIII. Net cash used in investing activities	(566 143)	(45 644)	(149 900)	(11 706)
IX. Net cash used in financing activities	(3 405 550)	(2 044 537)	(901 702)	(524 361)
X. Total net cash flow	484 629	469 866	128 318	120 507
	<b>At</b>	<b>At</b>	<b>At</b>	<b>At</b>
	<b>31 December 2007</b>	<b>31 December 2006</b>	<b>31 December 2007</b>	<b>31 December 2006</b>
XI. Current assets	4 992 205	5 234 333	1 393 692	1 366 239
XII. Non-current assets	7 387 532	7 017 104	2 062 404	1 831 568
XIII. Total assets	12 379 737	12 251 437	3 456 096	3 197 807
XIV. Current liabilities	1 974 392	2 814 277	551 198	734 568
XV. Non-current liabilities	1 439 396	1 321 346	401 841	344 891
XVI. Equity	8 965 949	8 115 814	2 503 057	2 118 348

**This report is a direct translation from the original Polish version. In the event of differences resulting from the translation, reference should be made to the official Polish version.**