



KGHM

POLSKA MIEDŹ S.A.

Results of the KGHM Polska Miedź Group in the first half of 2014

14 August 2014

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Agenda

- **Start of production at Sierra Gorda**
- **Debt consolidation and major investment projects**
- **Macroeconomic outlook**
- **Group results**
- **KGHM Polska Miedź S.A. results**
- **KGHM INTERNATIONAL results**
- **Strategic priorities of KGHM**

New mine in Chile – copper, gold, molybdenum

**30 July
2014**

**Production of the first copper
concentrate at the Sierra Gorda mine**

64
K OUNCES
of target annual
GOLD production

220
K TONNES
of target annual
COPPER production

25
M POUNDS
of target annual
MOLYBDENUM production

Construction of coarse ore stockpile dome and loading infrastructure completed

Sierra Gorda

Cu

Mo

Au

Resources	~1463.3 Mt @ 0.40% Cu 0.02% Mo 0.065 g/t Au
Ownership	55% KGHM 45% Sumitomo
Mine type	Open pit



Primary crushing

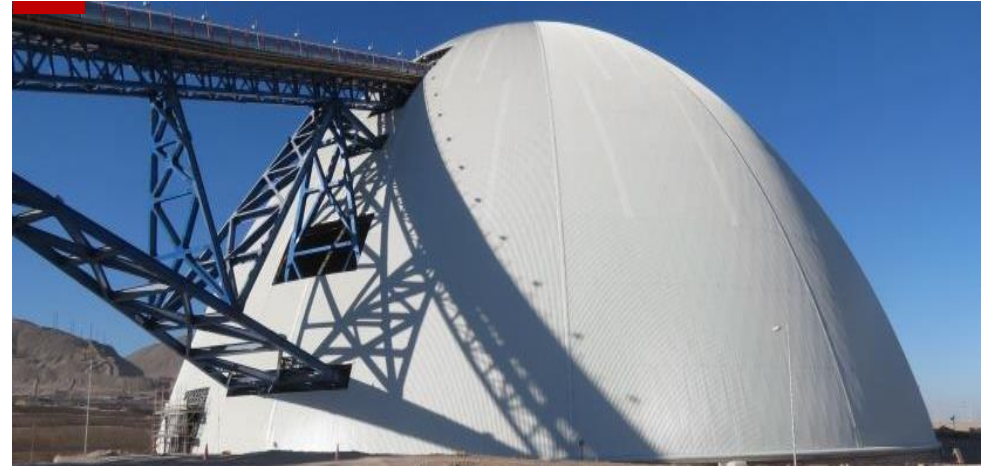
Progress to date

- On 4 August 2014 the Supreme Court of Chile issued a favorable court judgment regarding compliance with environmental laws to transport copper concentrate from Sierra Gorda to the Port of Antofagasta
- Sierra Gorda and its logistics partners, ATI and FCAB, are finalizing the construction of a dedicated world-class warehouse and loading facilities at the Port of Antofagasta
- Stage two - work in progress to design and develop processing plant infrastructure
- Total number of employees required for operations is estimated at 2 000

Sierra Gorda progress



Primary crushing



Coarse ore stockpile dome



Sea water pond



Ball mill #1

Additional potential of the project

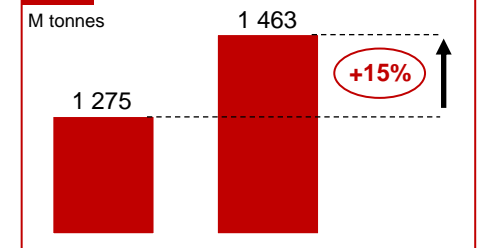
Potential areas around the project

- Exploration drilling is planned in the areas adjacent to the Sierra Gorda project



Increased reserves

- The implemented technical optimisation enabled a substantial increase in available reserves
- Thanks to optimisation of the pit wall angle, the amount of waste rock in the mine life cycle will be lower by 11%



Utilisation of the world's best conditions for operating a photovoltaic farm

- KGHM is analysing the possibility of building a photovoltaic farm, which would partially cover the annual power needs of the Sierra Gorda mine



Oxide ore processing

- Semi-industrial tests are currently underway, the results of which will be used to develop a project feasibility study



New strategy for financing strategic investments

Debt consolidation and strengthened financial control over the strategic investments of the KGHM Group

Agreement for an unsecured, revolving credit facility in the amount of USD 2 500 million* with a syndicate of Polish and international banks banków

- This agreement enables the financial consolidation of the KGHM Group development program and its management at the Parent Entity level.
- The agreement was concluded for a 5 year tenor and incorporates two one-year extension options exercisable at the request of KGHM. The credit facility may be drawn in USD in the form of up to 25 renewable tranches.
- The credit facility will be used in financing general corporate purposes (including capital expenditures) of the KGHM Polska Miedź S.A. Group and for refinancing of the financial debt of KGHM International Limited in the amount of USD 700 million.
- Interest on the credit facility was calculated based on LIBOR plus a margin, depending on the net debt/EBITDA financial ratio.

Agreement for an unsecured loan in the amount of PLN 2 000 million with the European Investment Bank

- The agreement was entered into for a period of 12 years.
- The loan will be utilised to a maximum of 7 instalments, each of which in the minimum amount of PLN 300 million.
- The funds acquired through this loan will be used to finance Company investment projects related to modernisation of metallurgy and development of the Źelazny Most tailings pond – projects which are part of KGHM's strategy of sustainable development.

* Around PLN 7 581 million, at the average USD/PLN rate announced by the NBP on 10 July 2014

Major projects of the KGHM Group's investment and development program



Gaining access to the Deep Głogów deposit



Research in the Old Copper Belt



Exploration and assessment work in new concessioned areas



Construction of a second flash furnace and modernisation of the Głogów Smelter



Modernisation of the Legnica Smelter



Development of the Sierra Gorda open pit mine in Chile



Construction of the Victoria underground mine in Canada



Construction of the Afton- Ajax open pit mine in Canada



Development of the Żelazny Most tailings pond



Application of new tailings storage technology (paste technology)

Understanding with local communities opens the door to development of the Żelazny Most Tailings Facility

Żelazny Most tailings treatment facility

▪ Current area	1 580 ha
▪ Area after expansion	2 189 ha



Żelazny Most is the largest copper ore tailings treatment facility in Europe. Of the approx. 30 million tonnes of copper ore extracted each year by KGHM, over 29 million tonnes are waste, which is deposited in the Żelazny Most tailings pond. It was initially assumed that the facility would operate until the year 2015–2016, when – according to estimates made at the time – the extraction of ore from the mines of KGHM would end. Thanks to new technology, which enables mining to continue at depths below 1200 m, KGHM will remain in operation for another 20–30 years.

Progress to date

- Advanced preparations underway to develop the Southern Quarter of the Żelazny Most tailings facility.
- Thanks to the use of tailings thickening technology, it is possible to substantially reduce the surface area of the facility and to minimise the risk of leaks.
- On 18 July 2014, KGHM signed an agreement with the citizens of the 5 municipalities which lie the closest to the future Southern Quarter. This also concluded the key stage of consultations with local communities regarding development of Żelazny Most.
- KGHM has received permission to change the zoning of approx. 300 ha into non-agricultural and non-forestry purposes in the municipalities Rudna and Grębocice. A similar decision is expected in the near future as regards the Polkowice municipality.
- The Southern Quarter will open in 2017. The investment will enable the deposition of tailings until the year 2042 without the need to restrict production in KGHM.

Victoria – steady progress in mine development

Victoria

Ni

Cu

Pt

Pd

Au

Resources	~14.5 Mt @	2.5% Cu 2.5% Ni 7.6 g/t TPM
Ownership		100% KGHM
Mine type		Underground



Progress to date

- In the first half of 2014 land preparation for the construction of mine infrastructure was completed
- Preparations for the hoisting machinery foundations and preliminary drilling for the shaft head in progress
- Work is underway on the Integrated Development Study, whose elements include a detailed project schedule, budget and operational plan

Deep Głogów – guarantor of KGHM's stable production

Deep Głogów

Cu

Ag

Resources	~290 Mt @	2.4% Cu in ore 79g/t Ag
Ownership	100% KGHM	
Mine type	Underground	

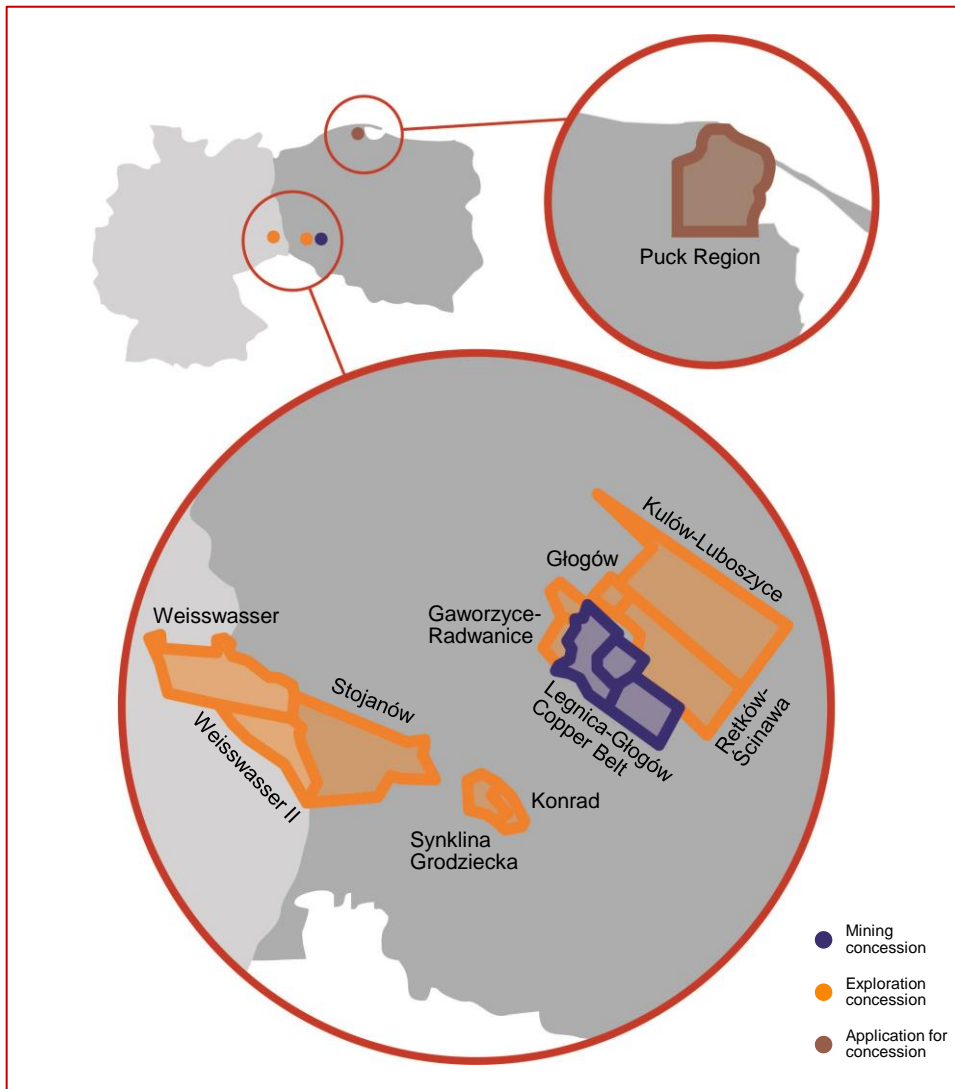


Progress to date

- Construction of drifts with infrastructure (water pipes, power cables, power switching stations, conveyor belts, retention reservoirs, climate control pipes and equipment, communications) in progress;
- During the first three months of its operations, the first mining section from the Rudna mine to access the Deep Głogów deposit extracted over 110 kt of ore.
- Work continued on deepening the GG-1 ventilation (inlet) shaft using tubing technology. This will be the deepest of the 31 shafts in the Polish Copper Belt, with a target depth of 1340 meters and a width of 7.5 meters.

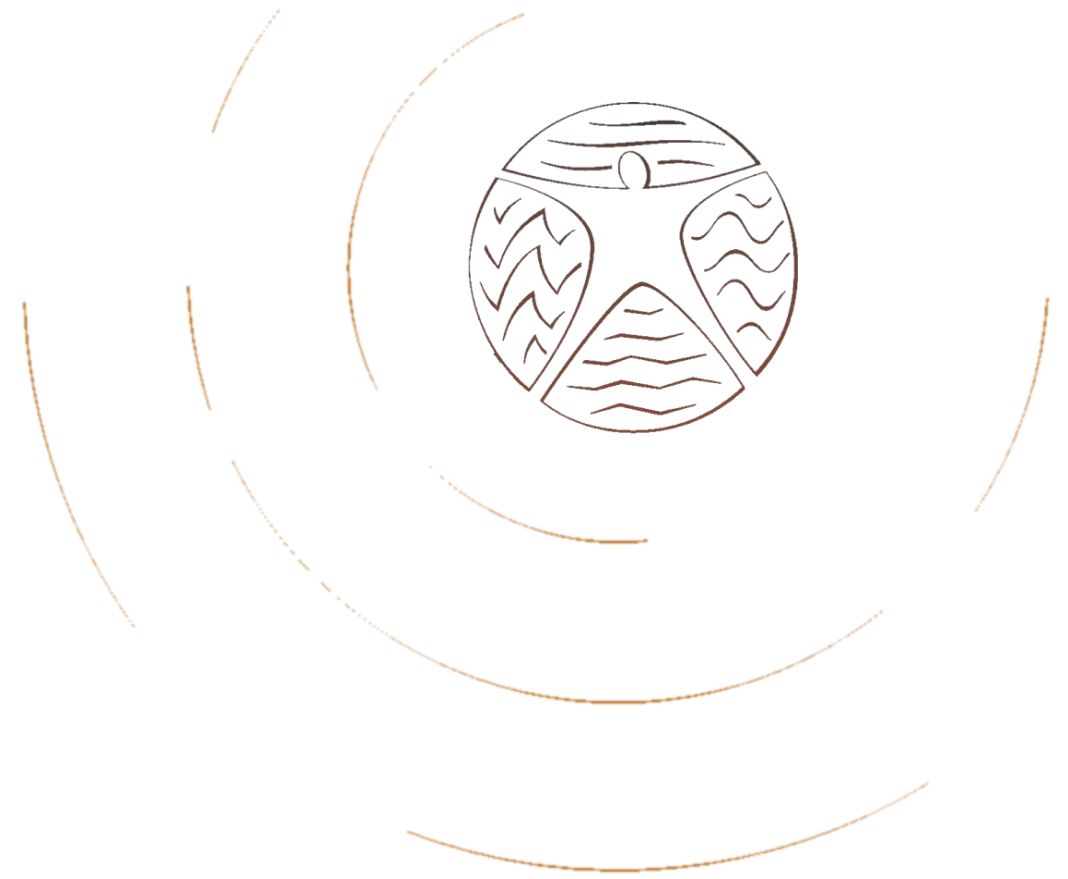
Exploration in Poland and the region

Exploration concessions in Poland and Germany



Progress to date

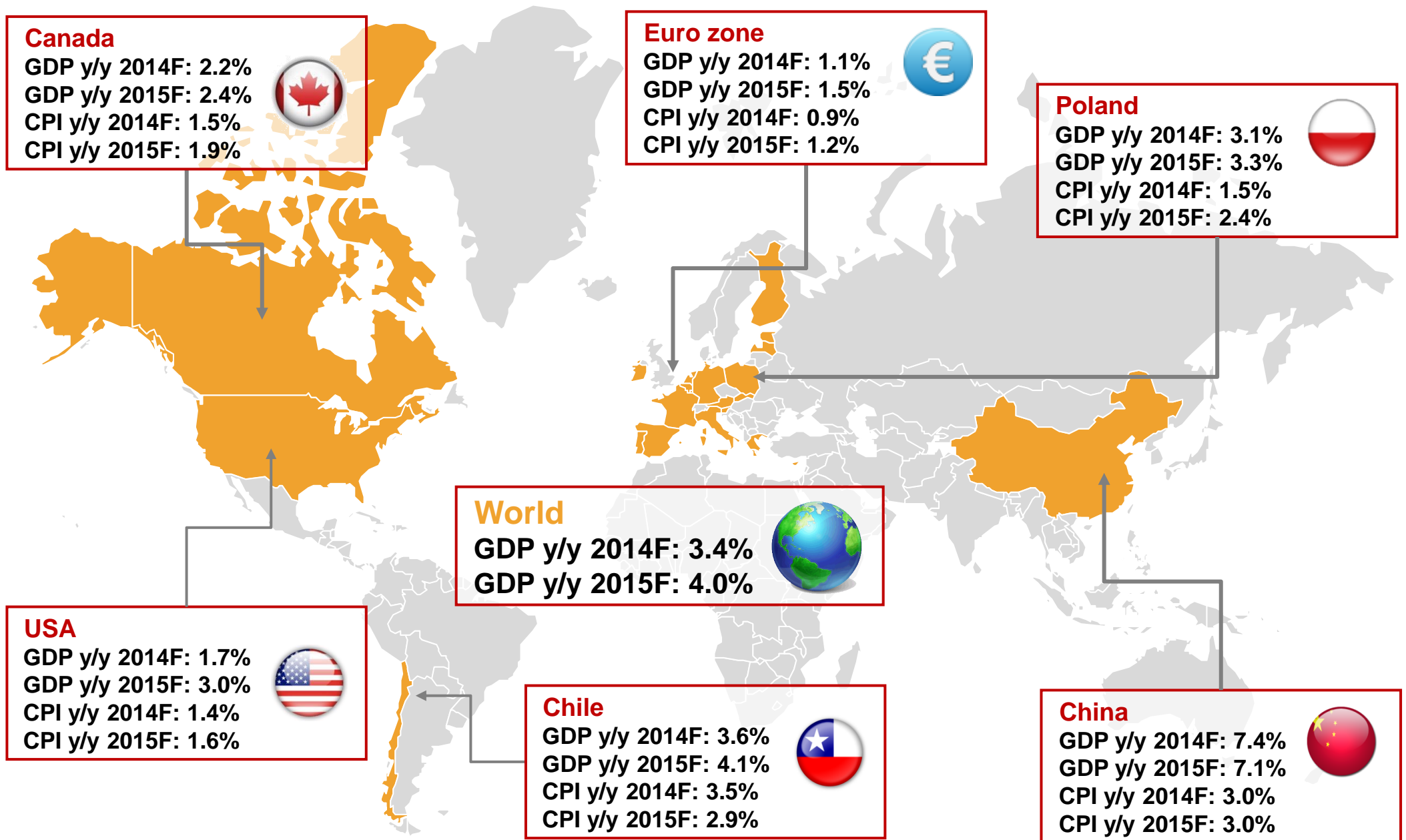
- On 15 May 2014, KGHM received a concession for exploration of the copper-silver ore deposit in the Stojanów area, which is an extension into Poland of the geological structures located within the Weisswasser area.
- In January 2014, KGHM received a concession for exploration and assessment of the Konrad copper ore deposit.
- In the concessioned areas of the Gaworzyce–Radwanice project geophysical work was performed. Analysis and interpretation of the results is underway.
- In the areas of Retków Ścinawa and Głogów geological work is planned in the second half of 2014.



Macroeconomic outlook

Recovery of the global economy is accelerating

- higher growth forecast for 2015 confirmed by the International Monetary Fund (IMF)



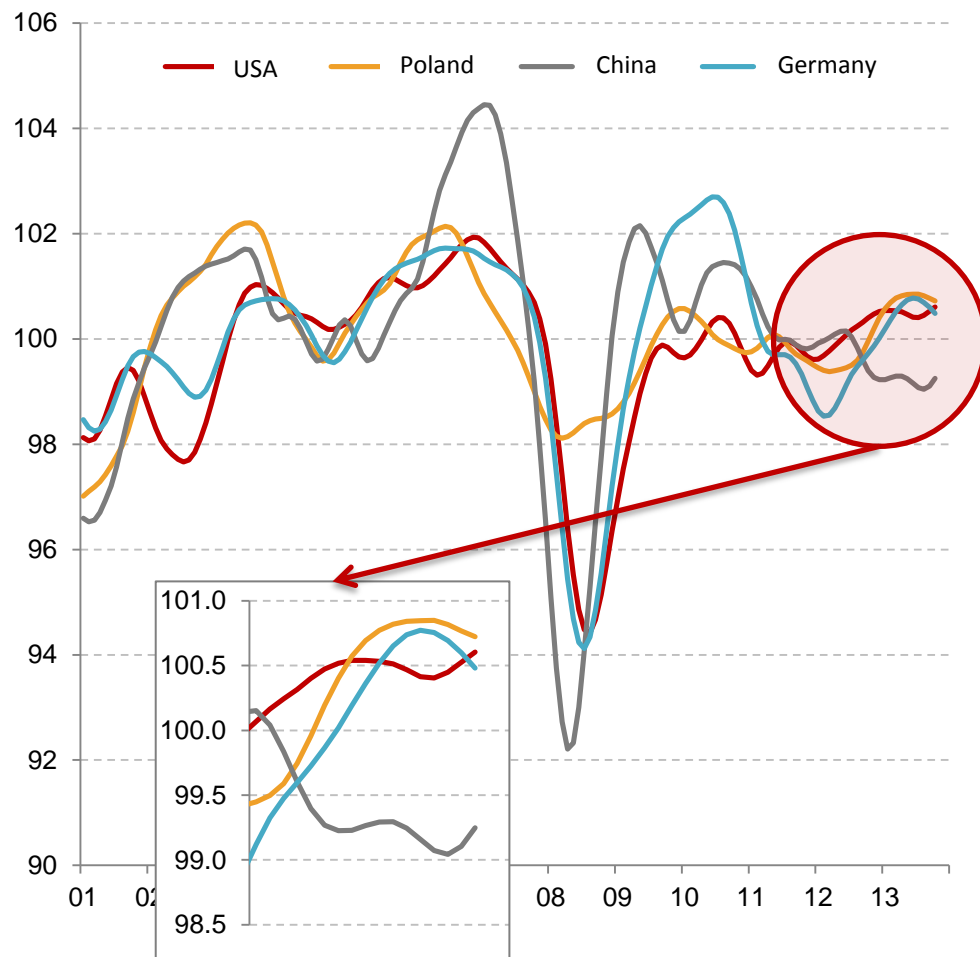
Note: The GDP growth and CPI inflation forecasts for 2014 and 2015 are based on the IMF's World Economic Outlook (from 08 April 2014 and 24 July 2014); F – forecast; y/y – year to year;

Economic recovery a fact, but: large risks from geopolitical situation (Ukraine, Middle East) and lack of uniformity in global monetary policy

WORLD

The OECD's Composite Leading Indicators suggest continued growth in the USA and economic stabilisation in China

OECD Composite Leading Indicators



Source: Bloomberg, KGHM

- The IMF, in its April revision of the global economic outlook, reduced the expected rate of global growth in 2014 to 3.4%, due to the weaker first half, simultaneously raising the growth outlook for 2015 to 4.0%.
- Weather problems in the USA in the first quarter caused a substantial interruption to the American economic trend. Nonetheless the recessionary reading in the first three months (-2.1% q/q saar*) was overshadowed by the increase in economic activity in the second quarter at the level of 4.0% q/q saar*.
- Thanks to the improved economic outlook in subsequent quarters the American Federal Reserve (Fed) continued to restrict its quantitative easing policy, reducing in July the scale of monthly assets purchases to USD 25 billion. The reading of the next-to-last Fed minutes suggests the total ending of QE in the autumn of 2014. The increase in economic activity together with the gradual improvement in the labour market raises the probability of higher US interest rates in 2015.
- The acceleration of economic growth in China to 7.5% y/y supported by government actions increases credibility that this goal will be achieved at the same level throughout the year. The improvement in a broad spectrum of macroeconomic indicators has substantially reduced doubts as to the sustainability of growth in China.
- The risk of deflation in the Eurozone and the continued reluctance of the banking sector to provide loans encouraged the European Central Bank (ECB) to reduce interest rates and to take actions aimed at invigorating economic growth.

* q/q – quarter to quarter; saar – seasonally adjusted annual rate

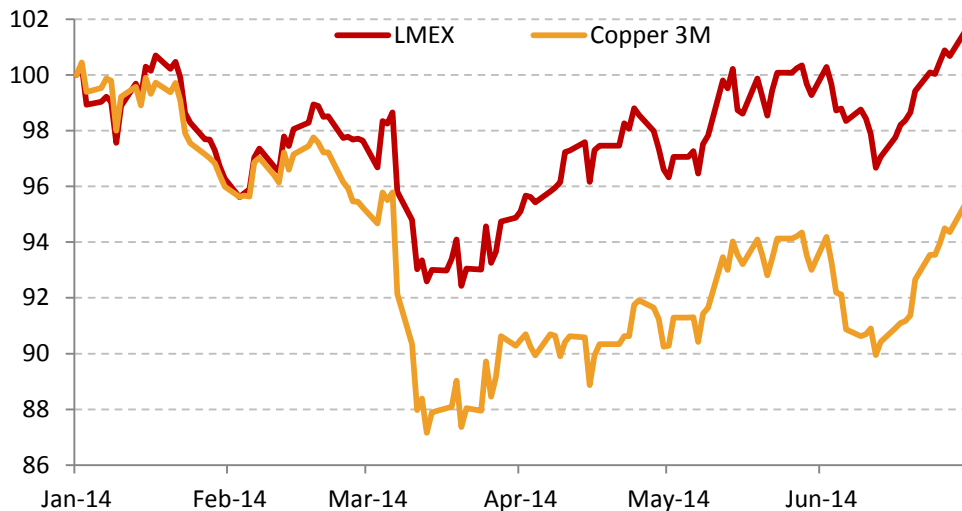
Copper back to early-March price level mainly due to better macroeconomic outlook and lower production from new mining projects

COPPER

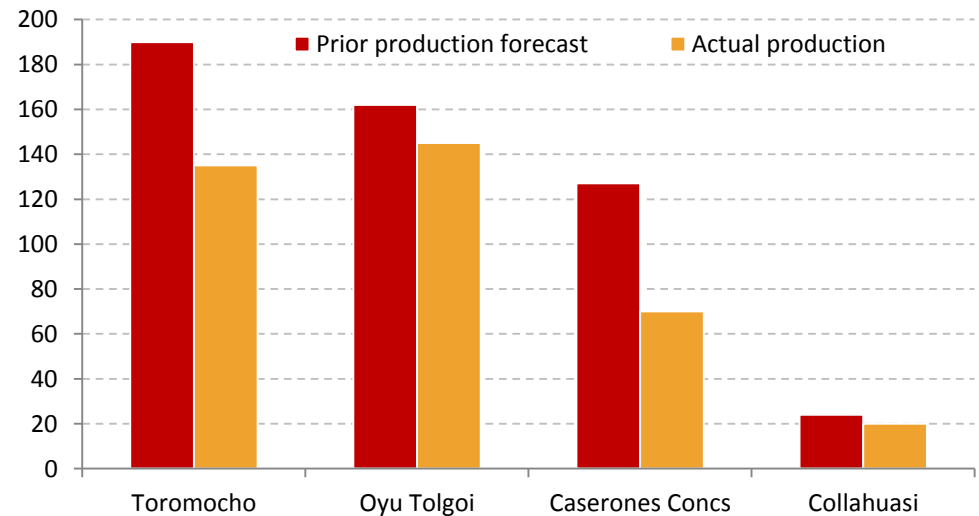
Base metals prices (LMEX) overcame their March losses with a vengeance mainly due to the increase in the nickel price. Copper still has some room for improvement.

Estimates of supply from new projects have been revised downwards, implying a change in the forecasted market balance in 2014.

LMEX and 3M Copper* [1 Jan 2014 = 100]



Production in 2014** [kt]



- Following the March losses caused mainly by selling pressure in China and fears about the sustainability of economic growth, the price of copper rose to 6 935 USD/t, recovering nearly all of its losses from the beginning of March. Following reports by Reuters on purchases by the State Reserves Bureau of approx. 200 kt of copper, participants on the copper market continued to benefit from copper price increases, taking advantage of positive sentiment towards the base metals market reflected in the growth of the LMEX as well as of a greater inflow of capital to the commodities market than in the previous year.
- Since the beginning of the year official copper inventories of the three markets (LME, COMEX and SHFE) have fallen by half (from approx. 500 kt to approx. 250 kt). Also worth noting is the decrease of inventories in unofficial duty-free warehouses in China. The market estimates the amount of stored copper at the level of approx. 700 kt, versus approx. 1 million tonnes in January 2014.
- In recent weeks market uncertainty has significantly risen due to the investigation underway at the Chinese port of Qingdao, involving metals-secured credit. As reported by Reuters, by falsifying warrants for the offtake/delivery of copper and other metals it was possible to obtain financing at a much higher level than was required to ensure collateral. In the case of copper the investigation may involve 20 thousand tonnes, while the potential repercussions of such falsification may have an impact on metals prices.
- Based on information disclosed in recent months it appears that there remain problems with investment projects currently underway, as a result of which delays are arising in their completion. The level of production from new projects which is to appear this year has been systematically revised downwards, at the same time impacting the copper market balance in the near future.

New method for setting the silver price

- **From 15 August 2014 a new system will be in place for setting the price of silver.**
- The mechanism behind the new system – the **London Silver Price** – is based on an auctioning system, with the price determined by an algorithm, and not as until now by various banks.
- Thomson Reuters will also announce volumes and proposed prices, while simultaneously ensuring the anonymity of market participants.
- As a result, there will be greater confidence in the pricing combined with greater transparency, as well as an appropriate liquidity level for transactions.

14 May
2014

Market participants informed that the London Silver Fix will be suspended from 15 August 2014
Start of consultations with market participants through the London Bullion Market Association (LBMA)

11 July
2014

Announcement by the LBMA of the result of these consultations – acceptance of solutions proposed by the CME Group and Thomson Reuters

Early August
2014

Testing of new system
Initial declaration by market participants of acceptance of the new solutions for settling physical transactions, with final decision contingent on the results of the tests

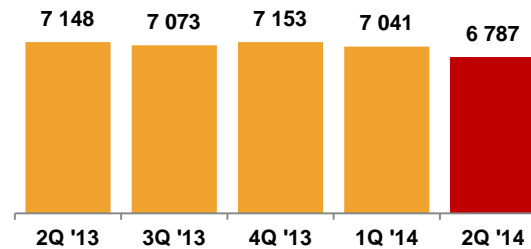
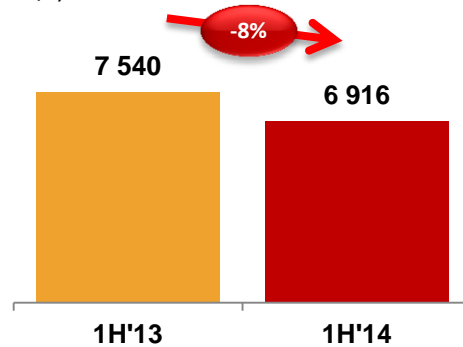
15 August
2014

Presumed smooth transition from the London Silver Fix to the **London Silver Price** from 15 August 2014

Macroeconomic conditions worse in the first half of 2014

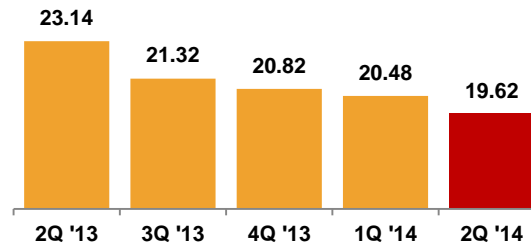
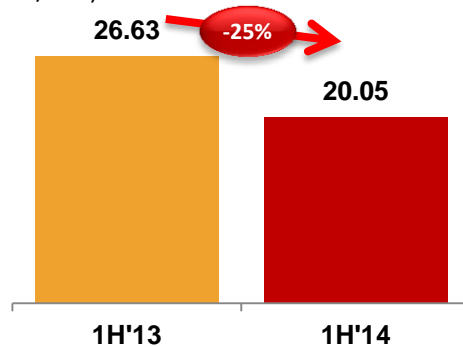
Copper price

(USD/t)



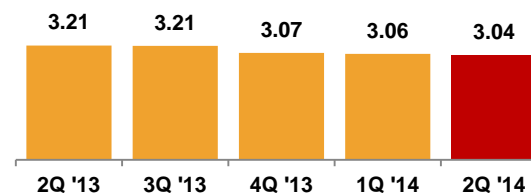
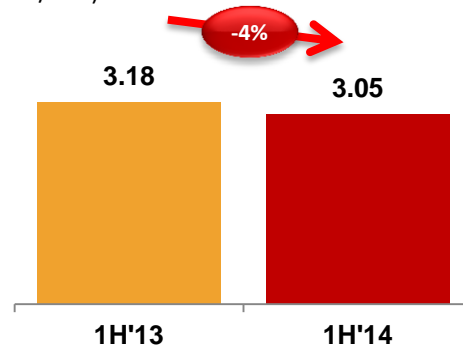
Silver price

(USD/troz)

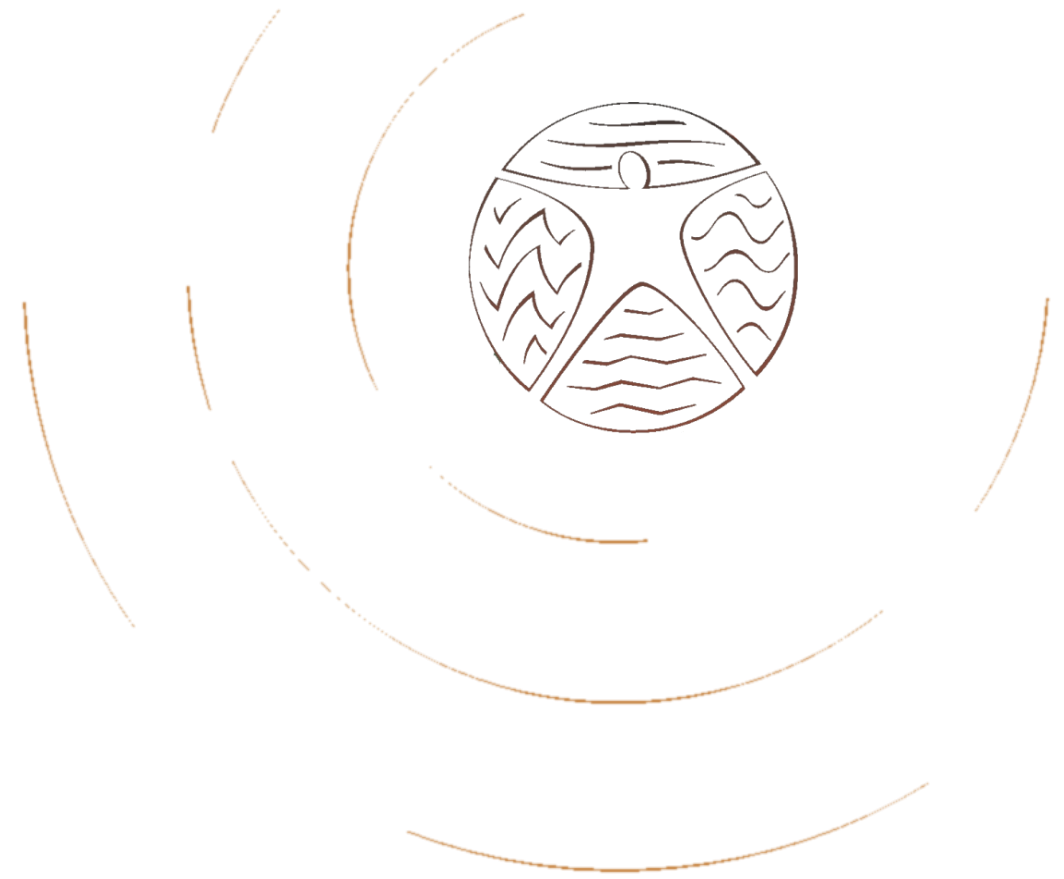


Exchange rate

(USD/PLN)



- **Decrease in the copper price** due to the fears on the sustainability of economic growth in China, and therefore on demand for base metals; a reduction in positions in metals-hedged financial transactions related to the investigation underway in the Chinese port of Qingdao; and expectations of an expected metals production surplus in the years 2014-2016.
- After last year's falls, mainly caused by the start of a restriction of quantitative easing (QE) and expectations of a tighter monetary policy in the USA in 2015 (given the restriction in QE announced in the autumn of 2014), **the silver price stabilised in the range of 18.5–22 USD/troz**. Geopolitical events related to the crises in Ukraine and the Middle East and to the return of liquidity problems for the Argentinian government have caused increased uncertainty in the short-term on financial markets, generating greater interest in the precious metals segment.
- Following a decrease in interest rates by the ECB in June, the Monetary Council ended its neutral stance (*forward guidance*), opening the way for potential monetary easing. Macroeconomic data in the first half of the year were very positive, with low inflationary pressure (below the NBP's goals), which led to **stabilisation of the Polish zloty versus the USD**.



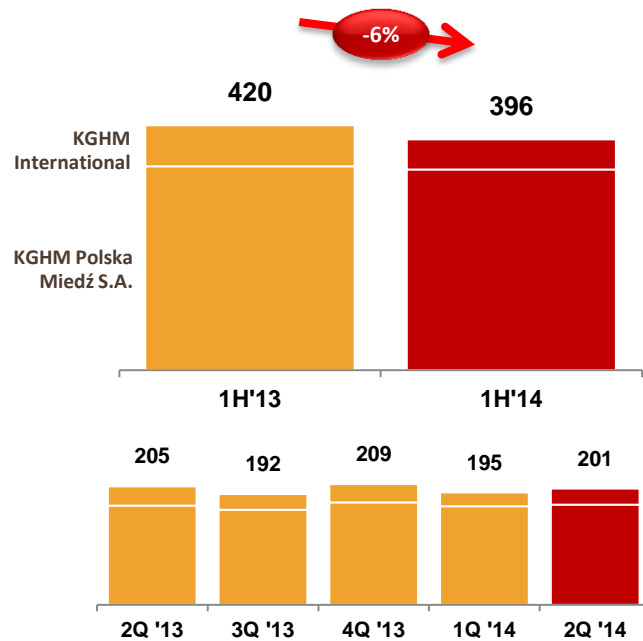
KGHM Group economic results

First half 2014 Group results

- weaker prices impact results

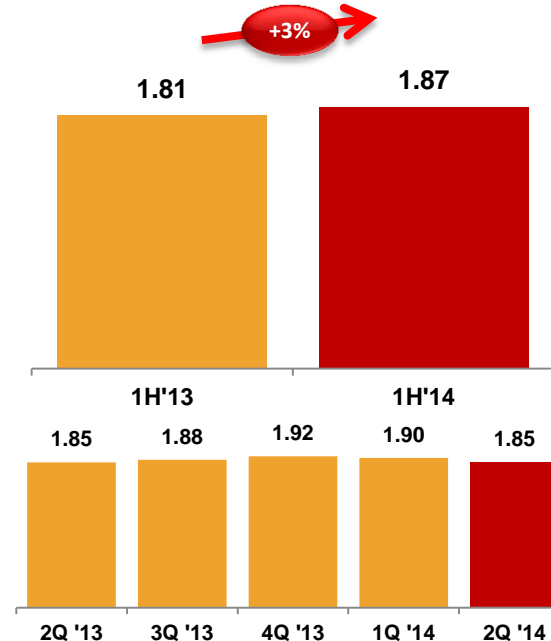
Electrolytic copper production

(thousand tonnes Cu equivalent)



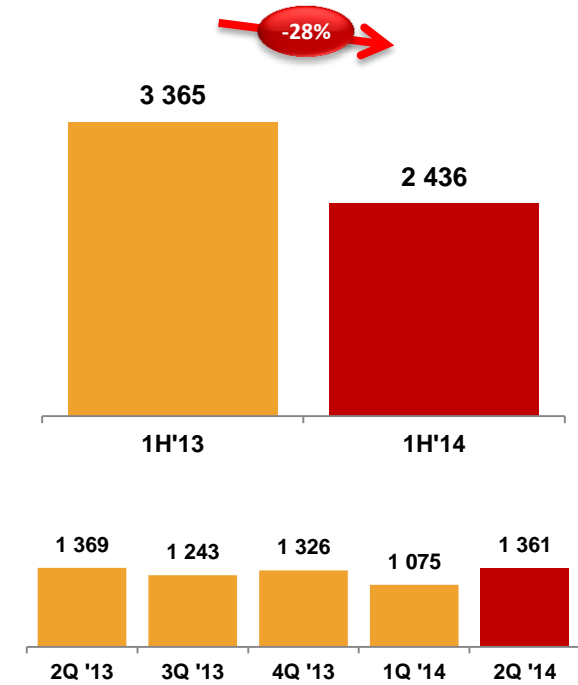
C1 cost of producing copper in concentrate

(USD/lb)

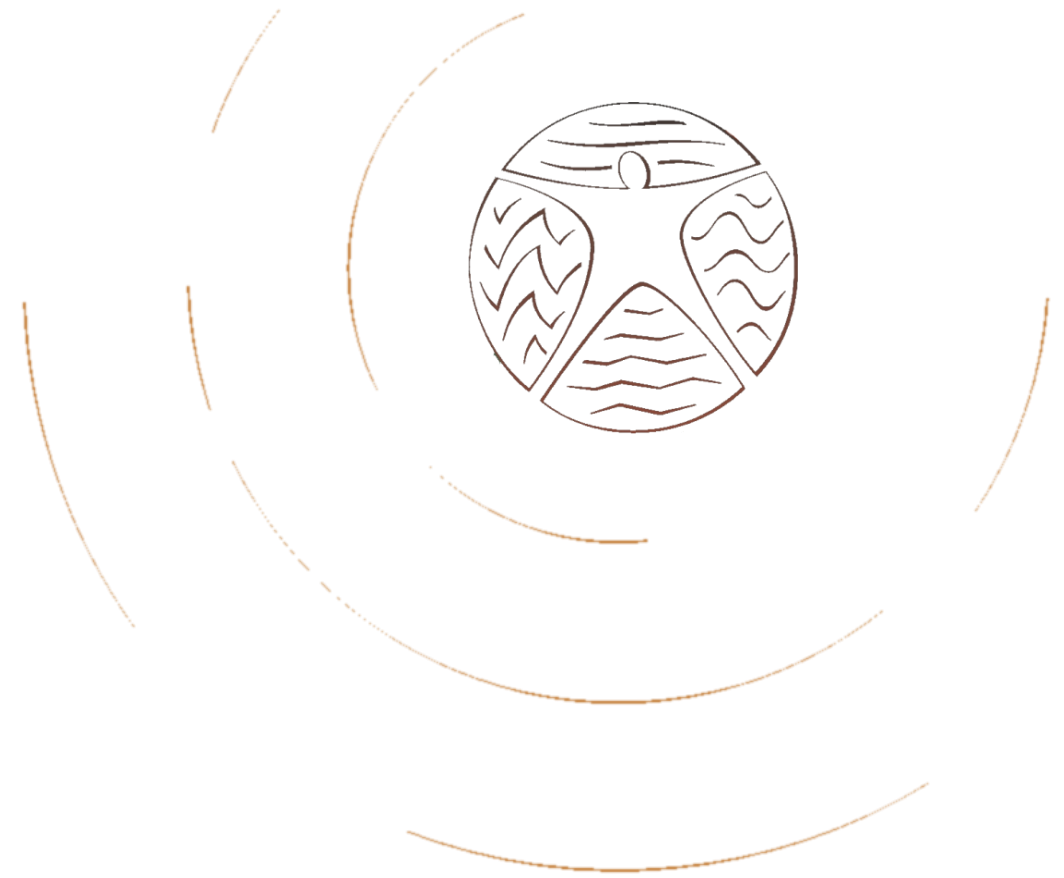


EBITDA

(in million PLN)



- The decrease in production of copper equivalent was mainly due to lower prices of silver and gold and to the lower volume of payable copper production in KGHM International (a change in geological conditions in the Robinson mine)
- The increase in the C1 cost was mainly due to the lower prices of associated metals – silver and gold
- The decrease in the Group's EBITDA by 28% versus the first half of 2014 was mainly due to the deterioration in macroeconomic conditions.



KGHM Polska Miedź S.A. **economic results**

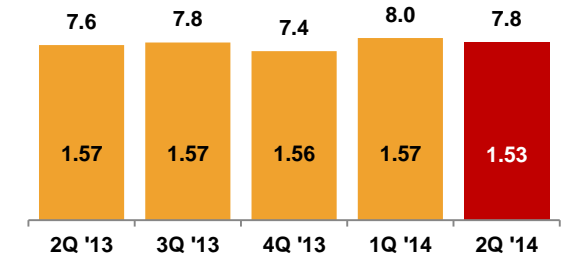
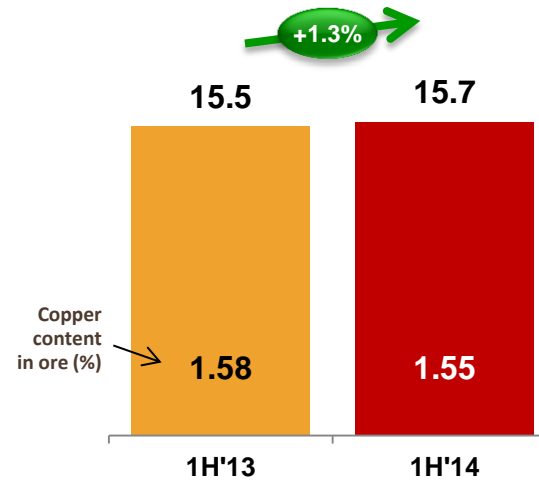
First half 2014 results – operations

- stable level of mined production

- In the first half of 2014 copper grade decreased by 2% which directly impacted the amount of copper in extracted ore
- The increase in ore extraction in the first half of 2014 versus the comparable period of 2013 enabled a similar amount of copper in ore to be extracted

Ore extraction

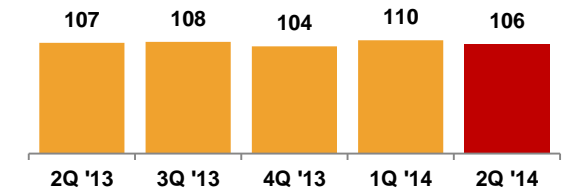
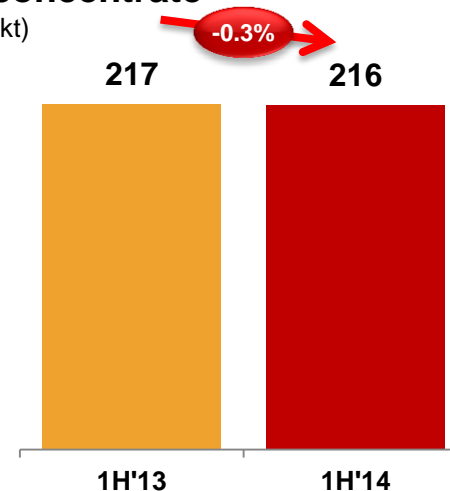
(million tonnes dry weight)



- Production of copper in concentrate in the first half of 2014 versus the comparable period of 2013 remains at a similar level
- Copper content in concentrate and recovery in the first half of 2014 increased versus the comparable period of 2013 respectively by 23.10% and 89.16%

Production of Cu in concentrate

(kt)

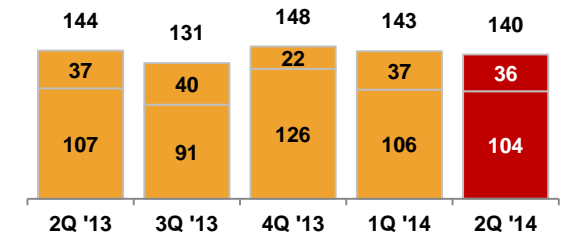
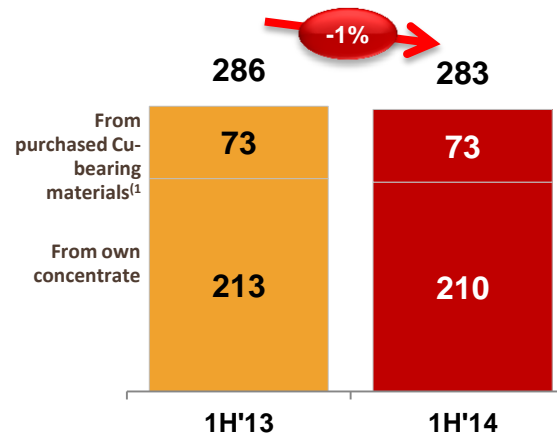


First half 2014 results – operations

- higher silver production

Electrolytic copper production

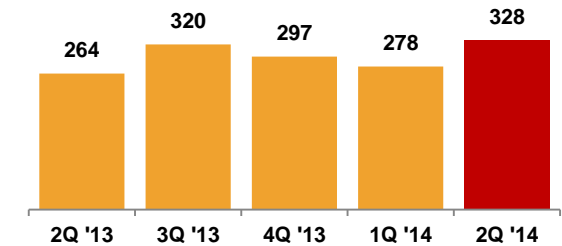
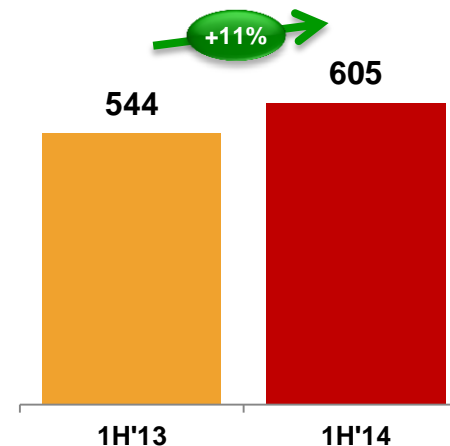
(kt)



- Electrolytic copper production remains at a high level, similar to last year's level

Metallic silver production

(t)



- The 11% higher production of metallic silver in the first half of 2014 versus the comparable period of 2013 was due to the maintenance performed at the Precious Metals Plant in April and May 2013

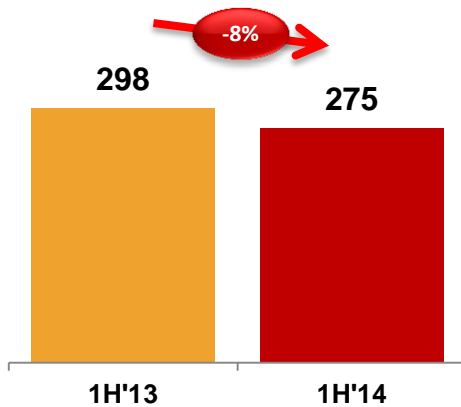
1) Together with processing of customer-supplied materials

First half 2014 results – sales

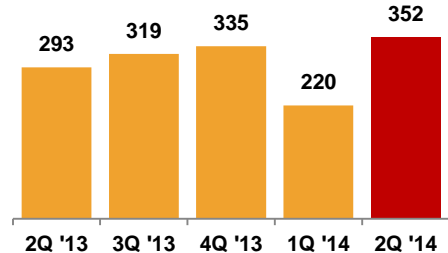
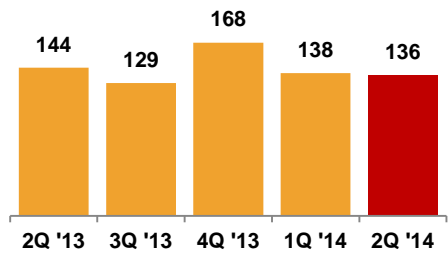
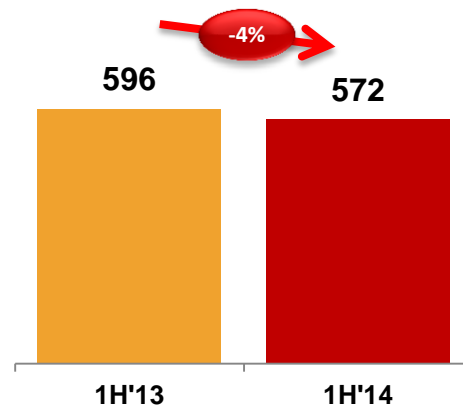
- weaker prices in the first half of 2014 impact results

Sales volume

Copper and copper products
(kt)

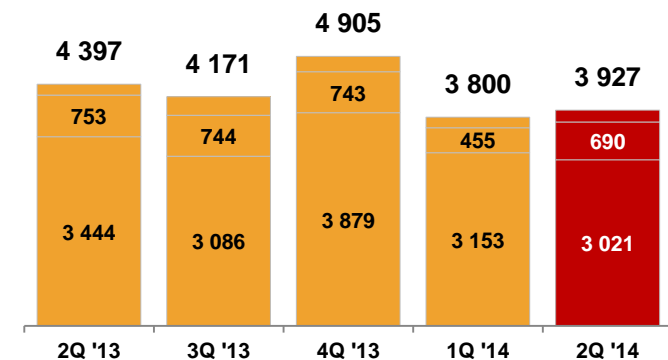
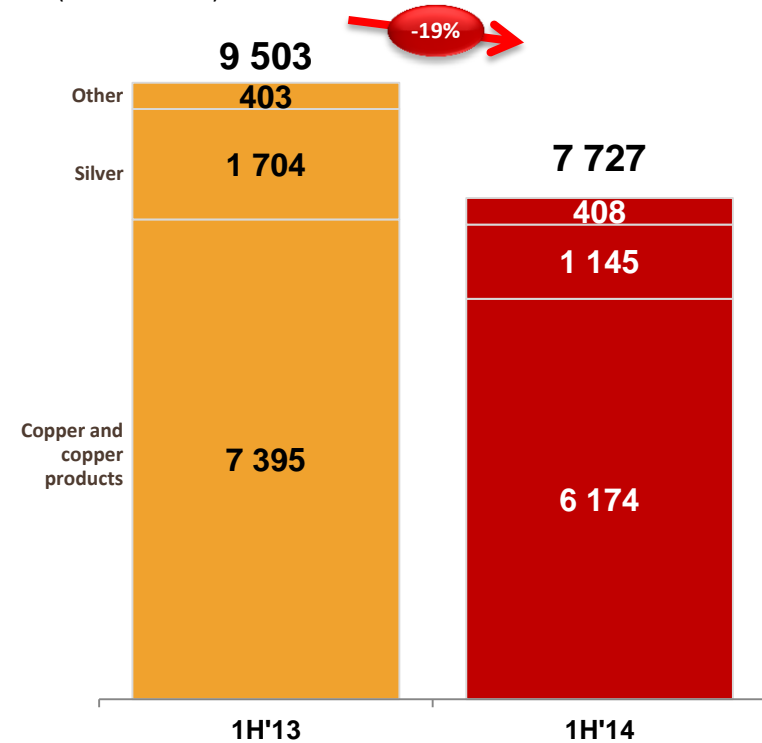


Silver
(t)



Sales

(in million PLN)



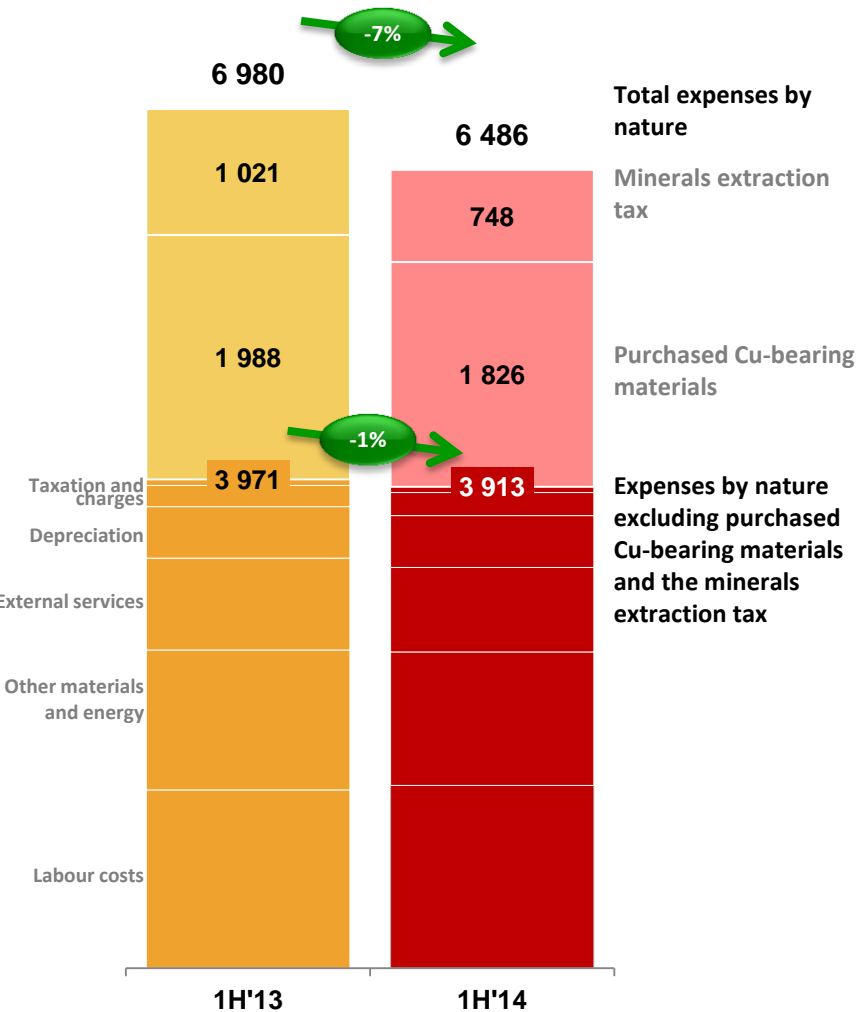
- The simultaneous decrease in recovered prices of copper and silver (respectively by 9% and 30%) and the lower sales volume (8% and 4%) caused a decrease in revenues by 19% versus the first half of 2013

First half 2014 results – Costs

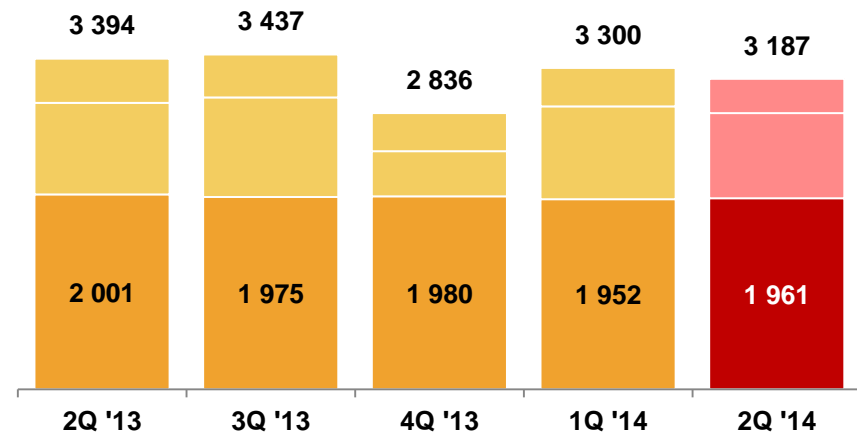
- cost discipline maintained

Expenses by nature

(in million PLN)



- After excluding the minerals extraction tax and purchased copper-bearing materials, expenses by nature are lower by 1% than in the first half of 2013 (-PLN 58 million)
- Costs versus the first half of 2013 were impacted by:
 - lower energy costs (-PLN 36 million), of which:
 - electricity (-PLN 27 million) due to lower prices (5.6%) and consumption
 - heat energy (-PLN 7 million)
 - the planned reduction in the scope of preparatory mine development work (-PLN 64 million) – a decrease in scope by 23%, or 5.4 km alongside the following increases:
 - labour costs (+PLN 38 million) – a higher allowance for future employee benefits (+PLN 15 million) and higher remuneration by 2.4% alongside a lower annual bonus by 2 percentage points and lower employment (187 positions)
 - taxation, charges and mining usufruct fees (+PLN 15 million)

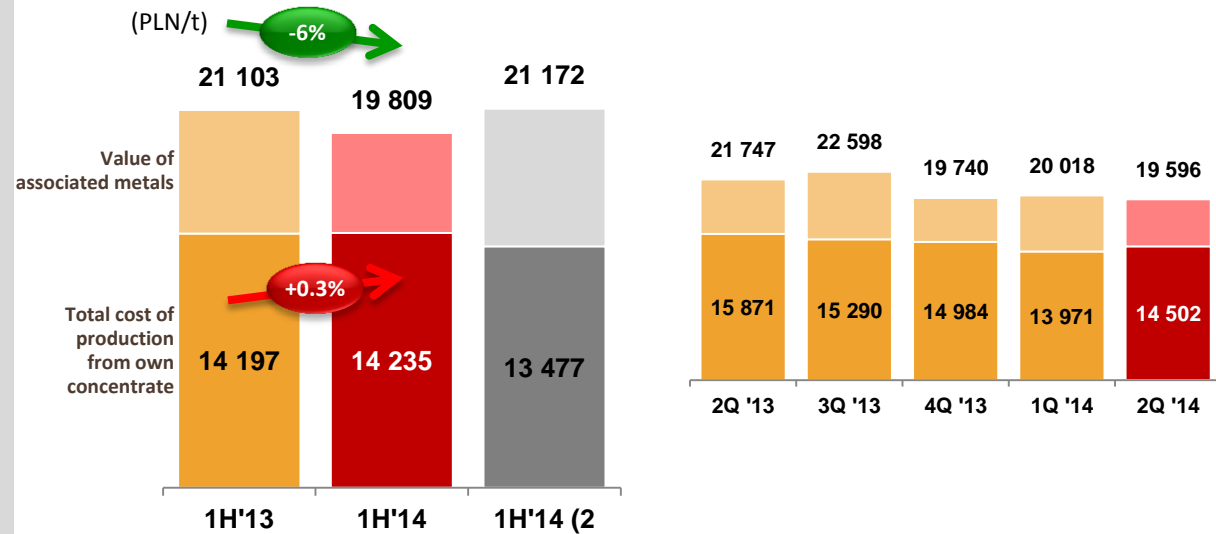


First half 2014 results – Costs

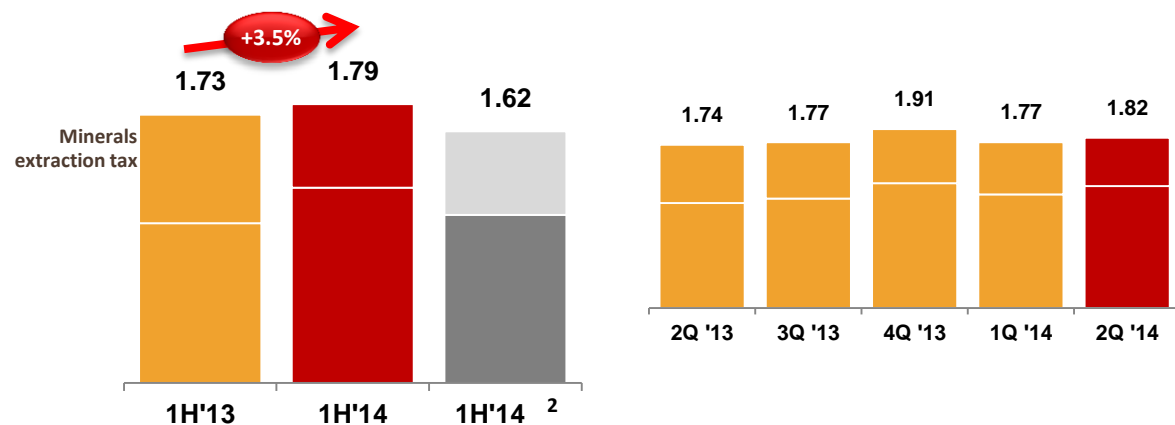
- unit cost of production down

- The pre-precious metals credit¹ unit cost of electrolytic copper production from own concentrate was lower by 6% versus the first half of 2013 with a similar level of production
- The decrease in silver and gold prices led to a lower valuation of associated metals, resulting in a higher unit cost of copper production from own concentrate and a higher C1 cost
- Under the macroeconomic conditions of 2013 the total cost of copper production would have been 13 477 USD/t, with a C1 cost of 1.62 USD/lb, which means a decrease versus the prior year respectively by 5% and 6%

Pre-precious metals credit cost of electrolytic copper production from own concentrate



C1 cash cost of producing copper in concentrate (USD/lb)



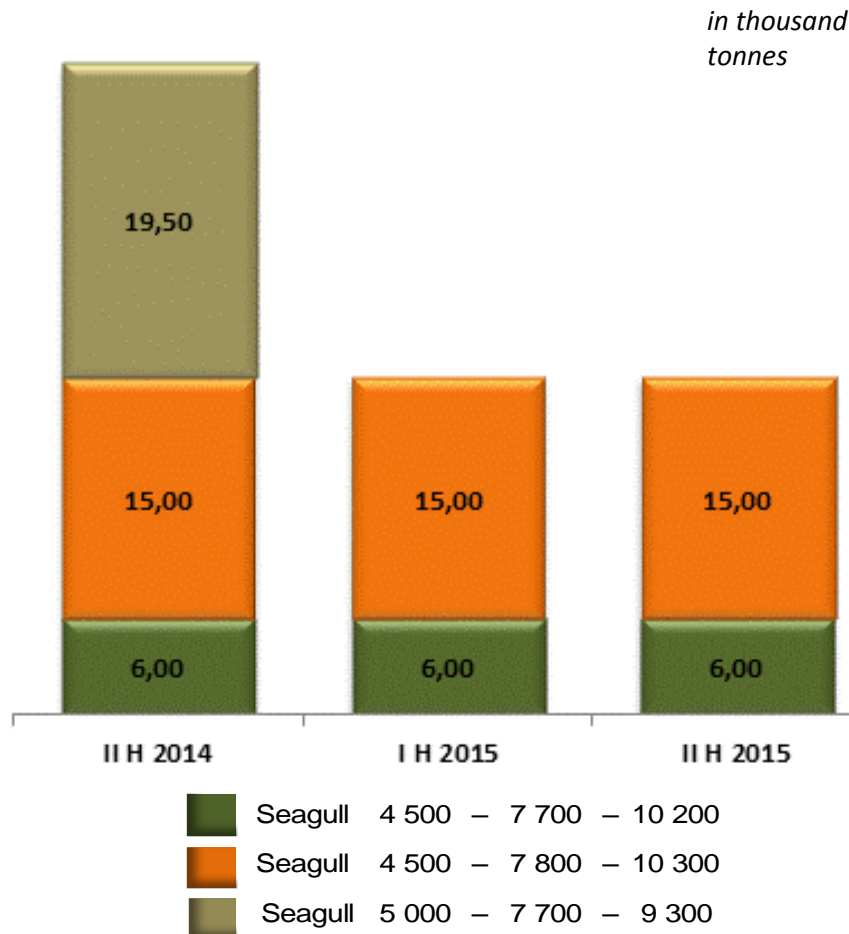
1) Pre-precious metals credit cost - Total unit cost prior to deduction by the value of associated metals

2) Under comparative conditions – assuming the macroeconomic conditions from the first half of 2013

Market risk management – hedging position (as at 30 June 2014)

Position in derivatives on the commodities market

Cu



Comments to positions and results of KGHM Polska Miedź

- In the first half of 2014 volatility decreased on the copper market, with the copper price within the range 6 400 – 7 450 USD/t.
- In the first half of 2014 there were no new transactions hedging the price of copper and silver. On the currency market there was a restructuring of an existing position (details on next slide).
- In the first half of 2014 the Company recorded a positive result on derivatives of PLN 160 million, of which +PLN 264 million increased revenues from sales and PLN 104 million decreased the result on other operating activities.
- The fair value of derivatives as at 30 June 2014 amounted to PLN 292 million.
- At present the Company does not have a hedged position on the silver market

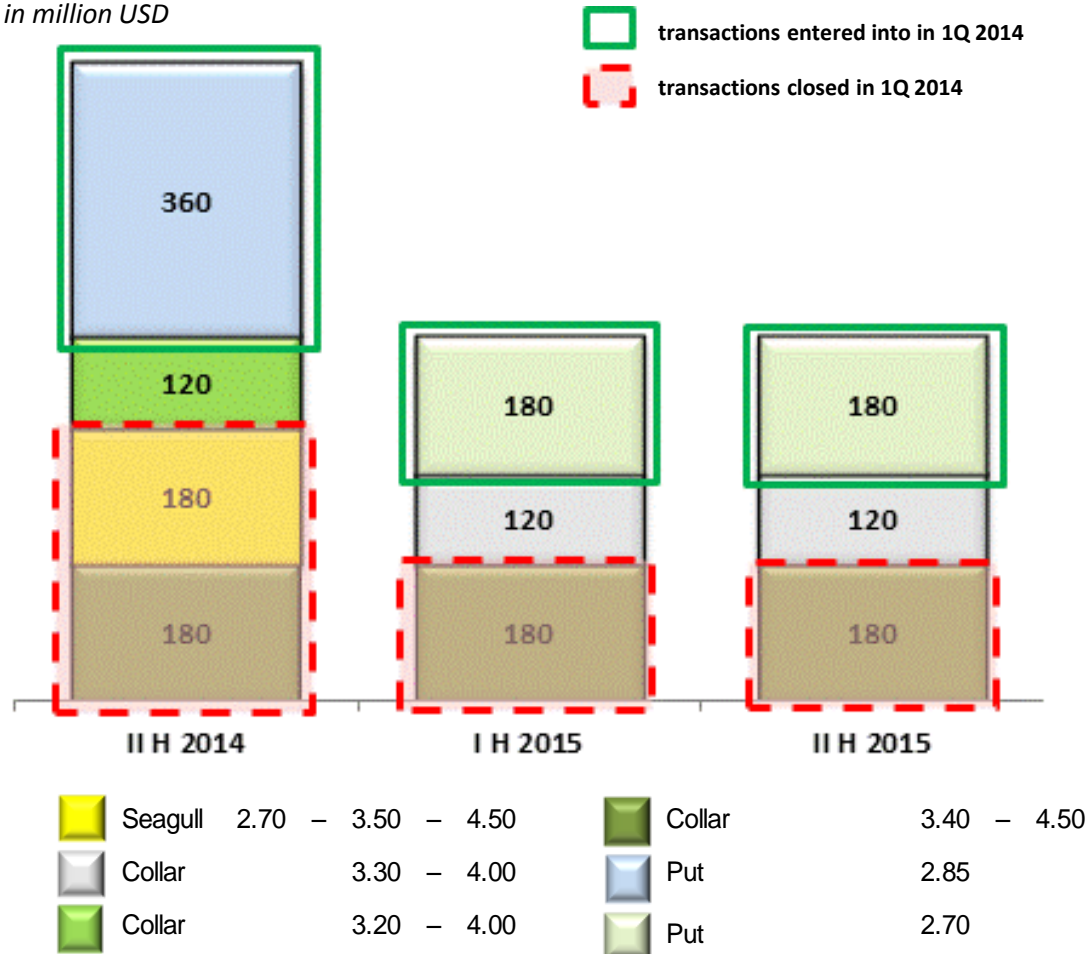
Market risk management – hedging position

(as at 30 June 2014)

Position in derivatives on the currency market

USDPLN

in million USD



2014

The closure of the position and un-designation of the hedging transaction was reflected in:

- *Revenues from sales* in the amount of PLN 72 million, in the second quarter of 2014
- *Revaluation reserve from the measurement of financial instruments* in the amount of PLN 132 million, which increases *Revenues from sales* in the period from July to December 2014

2015

The closure of the purchased put option at USDPLN 3.40 and un-designation of the hedging transaction was reflected in the *Revaluation reserve from the measurement of financial instruments* in the amount of:

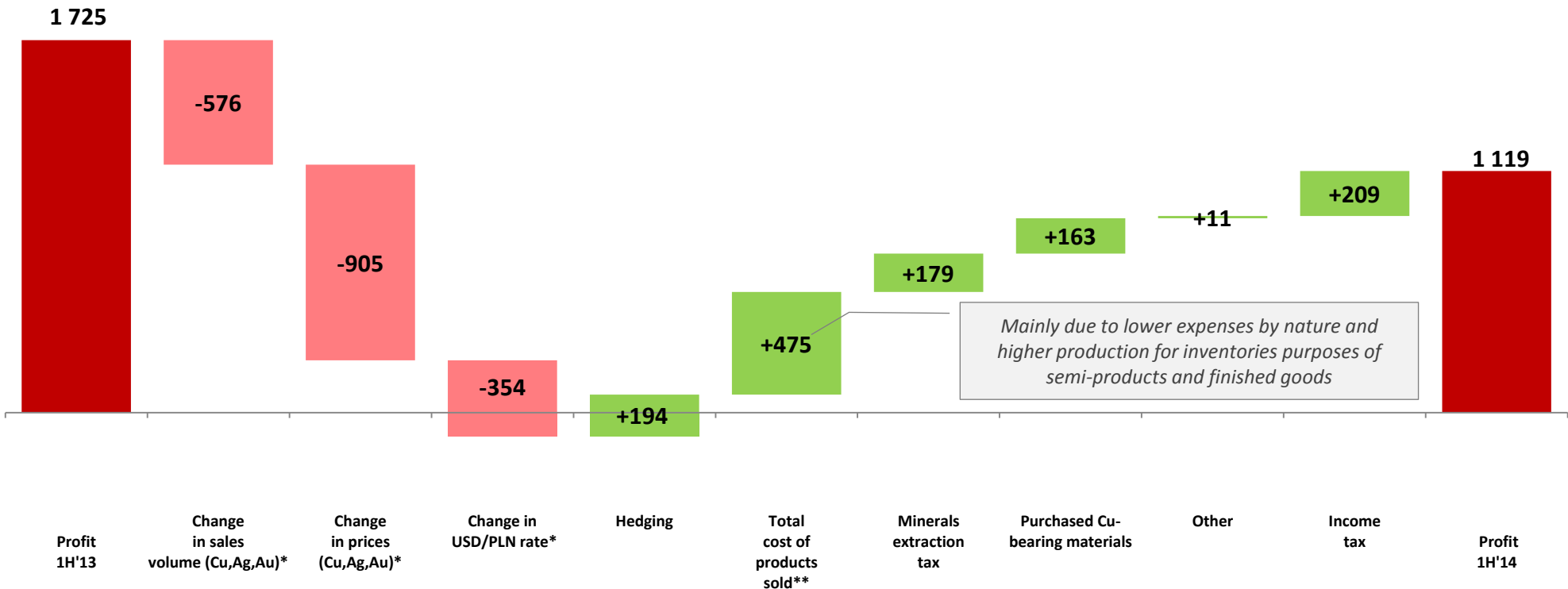
- PLN 50 million, which will increase *Revenues from sales* for the period from January to June 2015
- PLN 43 million, which will increase *Revenues from sales* for the period from July to December 2015

First half 2014 results – Costs

- worse macro conditions partially offset by continued cost discipline and hedging

Change in net profit

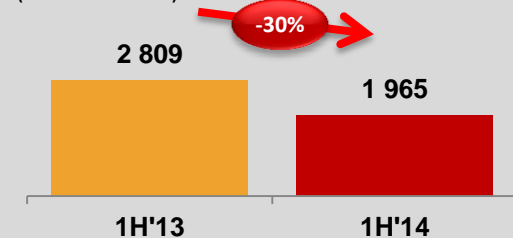
(in million PLN)



- The lower profit versus the first half of 2013 was due to the deterioration in macroeconomic conditions and to a lower sales volume
- The decrease in first half 2014 profit was partially offset by the lower level of costs, the impact of hedging and lower income tax

EBITDA

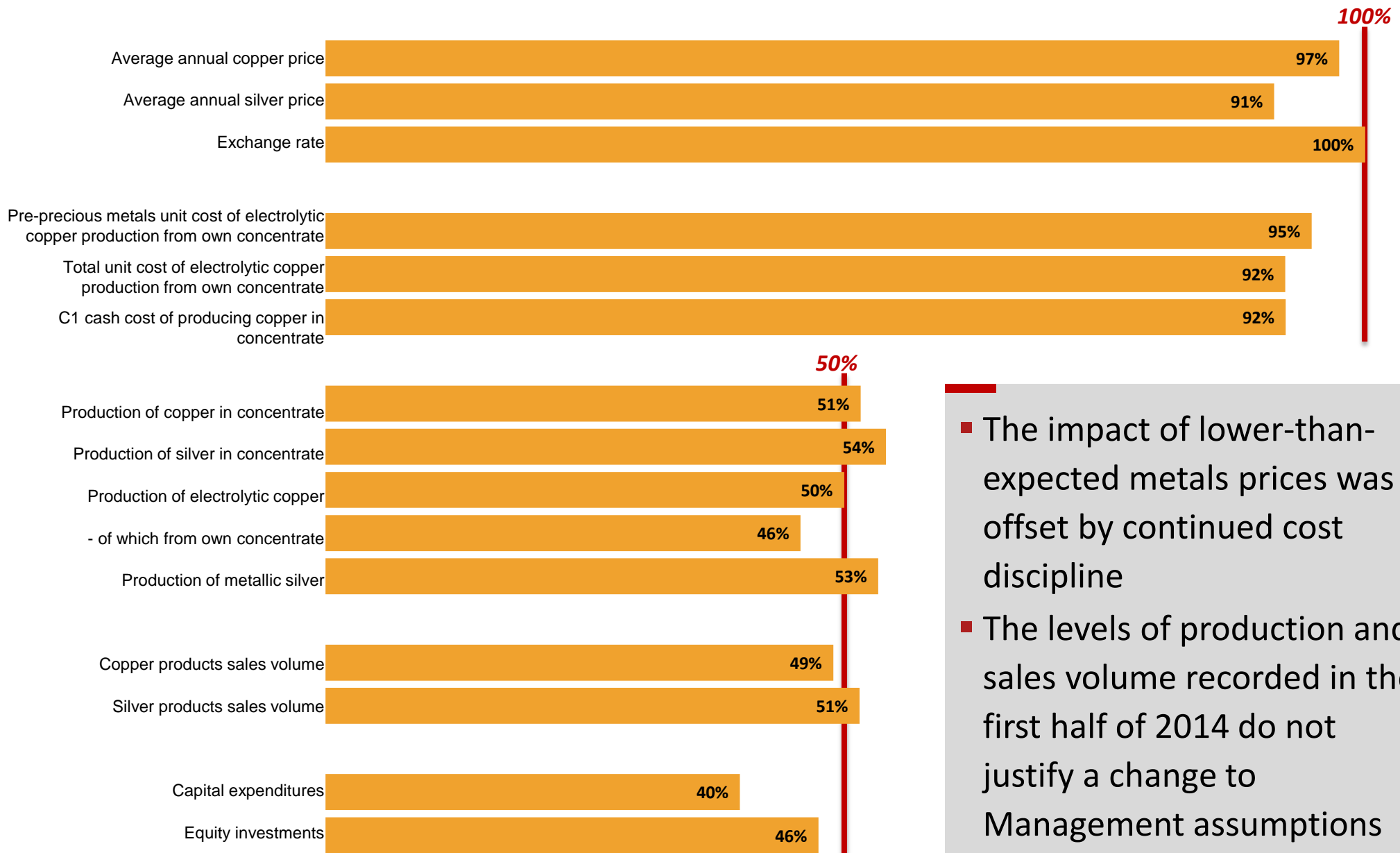
(in million PLN)



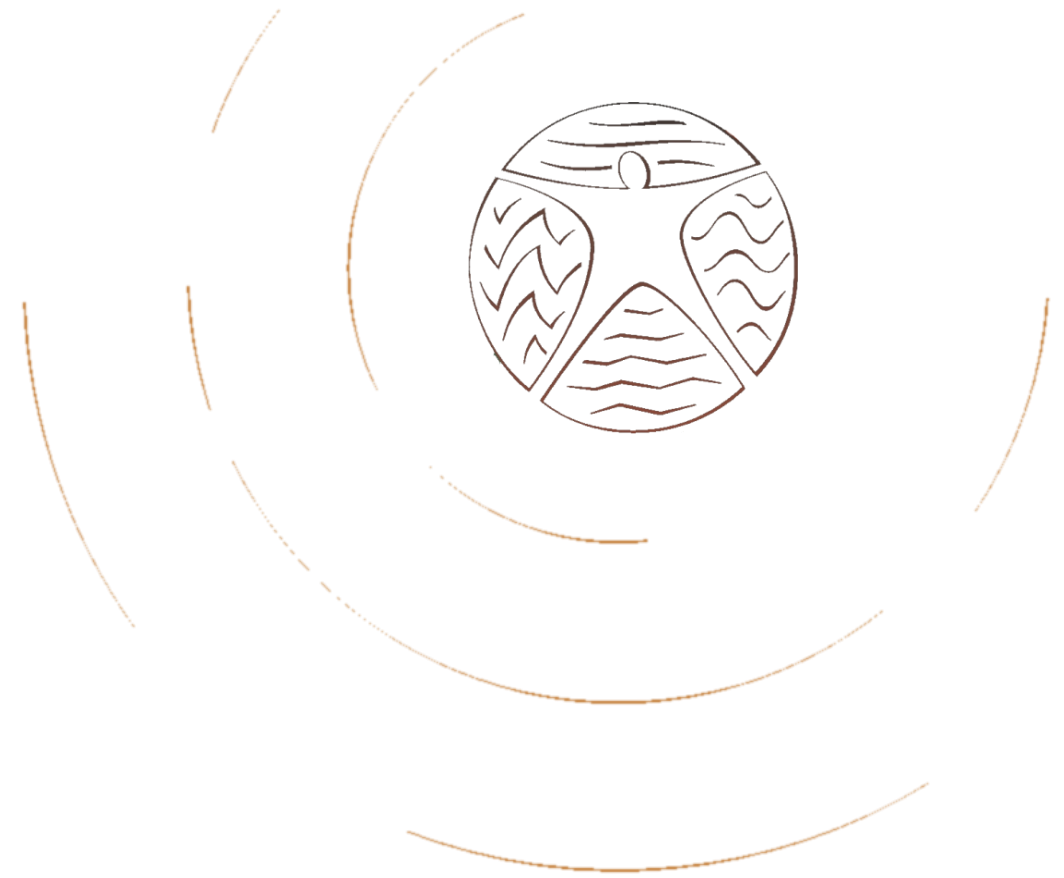
* Impact on revenues from sales of copper, silver and gold

** Excluding the minerals extraction tax and consumption of purchased copper-bearing materials

2014 assumptions remain unchanged



- The impact of lower-than-expected metals prices was offset by continued cost discipline
- The levels of production and sales volume recorded in the first half of 2014 do not justify a change to Management assumptions



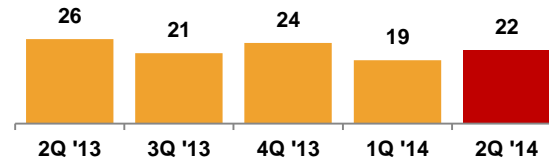
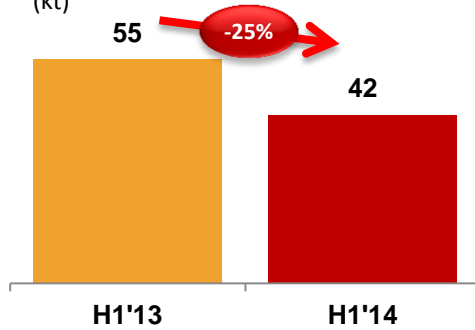
KGHM INTERNATIONAL

economic results

Production

Copper

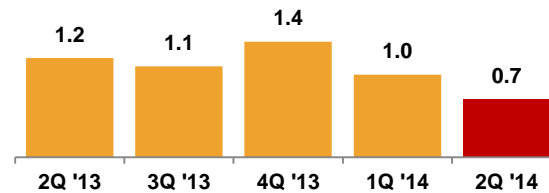
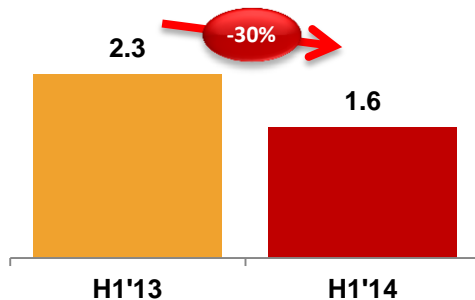
(kt)



- The decrease in copper production (-13 thousand tonnes) was mainly due to lower production at the Robinson mine due to ore quality deterioration from the Kimbley pit, versus the amount of ore extracted in the first half of 2013 from the Ruth pit.

Nickel

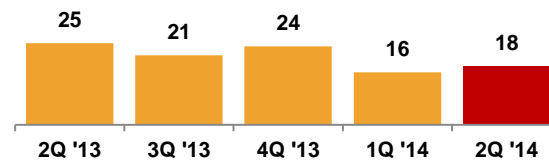
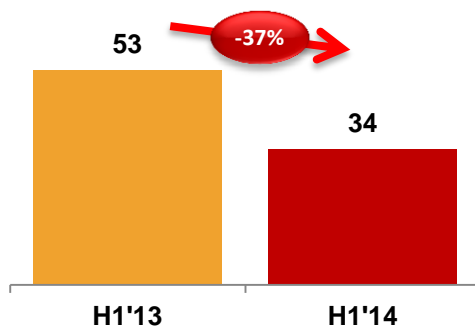
(kt)



- Nickel production was lower than last year mainly due to the suspension of nickel ore mining from McCreedy West in the first quarter of 2014

TPM (gold, platinum palladium)

(k troz)

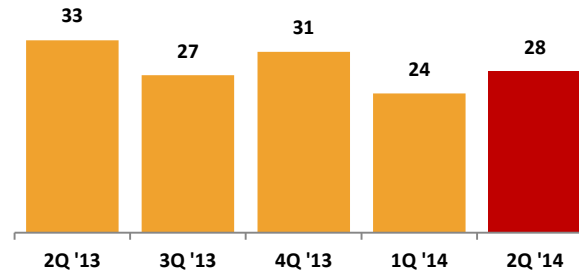
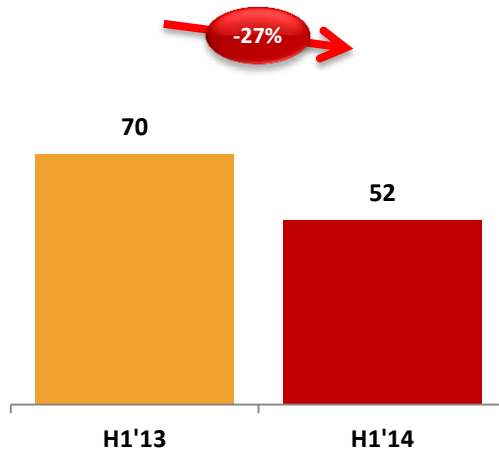


- The lower volume of precious metals produced was mainly due to lower gold production at Robinson due to lower ore grade and lower recovery.

Production

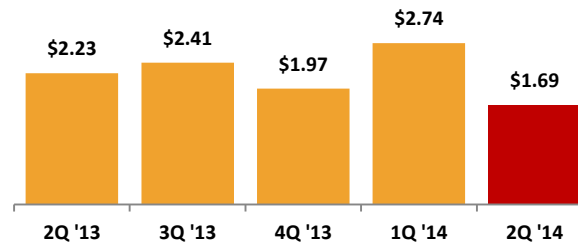
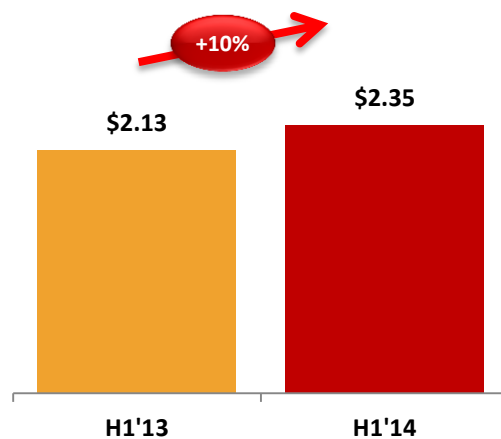
Copper equivalent¹

(kt)



C1 cash cost

(US\$)



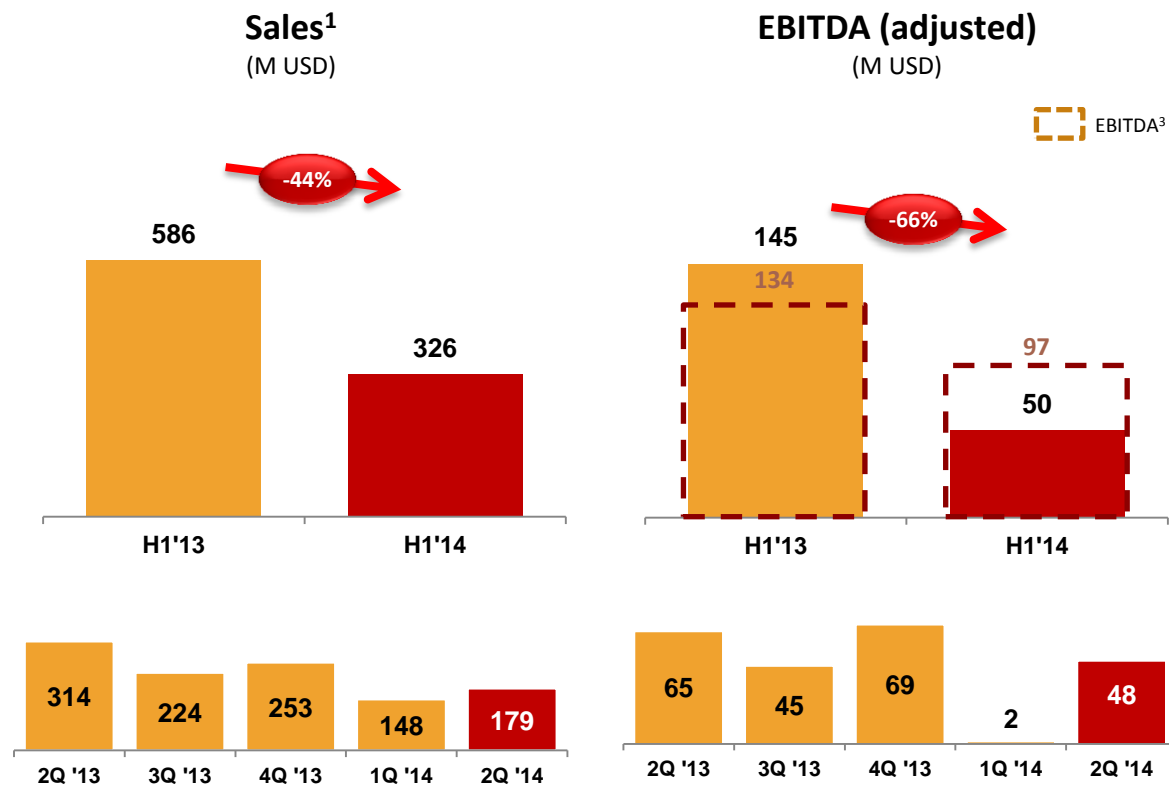
- The lower production of copper equivalent was mainly due to the decrease in copper and gold production at the Robinson mine, as a result of lower recovery and lower content of these metals in ore
- In Q2 2014 there was a significant increase in production versus the volumes achieved in Q1 2014

- The greatest impact on the increase in C1 cost was from the results of the Robinson mine due to the quality of processed ore, which resulted in lower production parameters. C1 cash cost at the remaining mines was lower than in the comparable period of 2013 thanks to the implementation of cost cutting initiatives, changes in the levels of inventories and the positive impact of blending ore at the Franke mine.
- C1 cost achieved in Q2 2014 of 1.69\$/lb was the lowest in the last several years

¹ Cu equivalent production based on average copper prices, excluding impact of Franco Nevada Agreement.

First half 2014 financial results

- worse macroeconomic conditions and lower sales volume



Main reasons for lower EBITDA:

- Lower effective copper sales price, which decreased revenues by USD 19 million
- Lower production volume of copper and gold and DMC contract revenues by USD 230 million
- Lower costs, due to lower production level and contract mining activities, implemented cost initiatives and inventories management, which resulted in lower operating costs by USD 165 million

Substantial improvement in results by the Robinson, Morrison and Carlota mines versus Q1 2014

- Improved results in Q2 2014 positively impacted cash flow and EBITDA
- KGHM International continues its program of savings:
 - general management and administrative costs, sustaining Capex and Opex
 - expenditure on projects, exploration and new business
- Results positively impacted by exchange rate changes – weakening of the CAD and CLP versus the USD

¹ Revenues from sales net of treatment and refining charges

² Profit on mining operations plus depreciation and the Sierra Gorda JV management fee, less general administrative costs and impairment losses

³ Operating profit plus depreciation

Morrison mine - current status and outlook



Cu

Ni

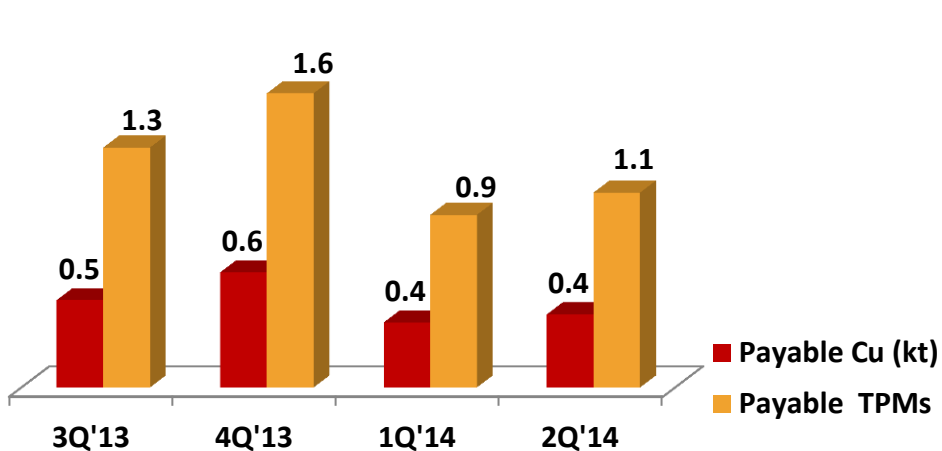
TPMs

Improved results in Q2 2014:

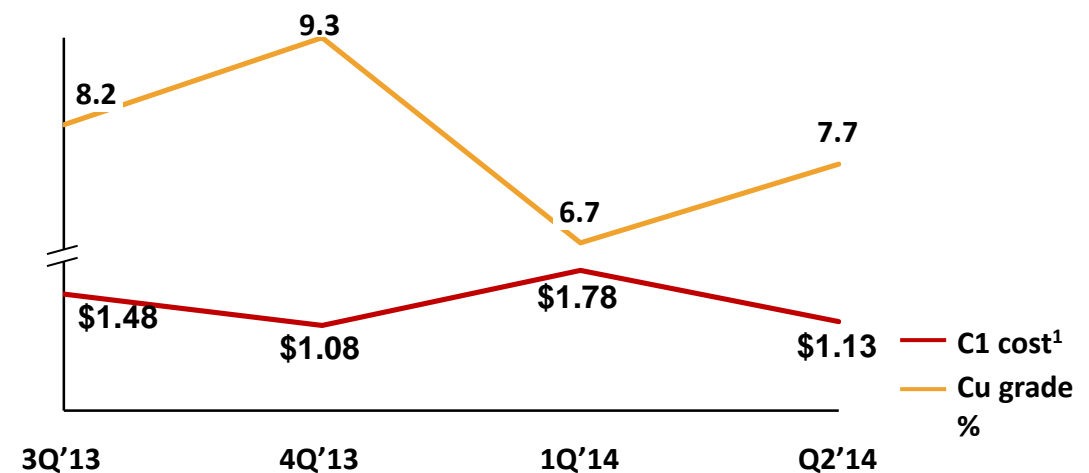
- Increased copper content in mined copper ore by 15% versus the first quarter of 2014, thanks to mining of rich area of deposit
- Due to the higher metals grade in Zone 3 of the Morrison Deposit, TPMs production in Q2 2014 was 13% higher than in Q1 2014
- A lower C1 cost due to less ore mined, with higher metals grade and lower operating costs

Outlook

- In Q2 2014 drilling concentrated on gaining access to areas scheduled for mining in the second half of the year
- Strong progress on work related to the backfilling of completed areas supports realisation of mining plans in the second half of 2014
- In Q3 2014 work is scheduled to gain access to ore at the 5000 ft level



¹ cash cost per pound of copper sold (US\$/lb)



Robinson mine - current status and outlook



Cu

Au

Mo

Improved results in Q2 2014:

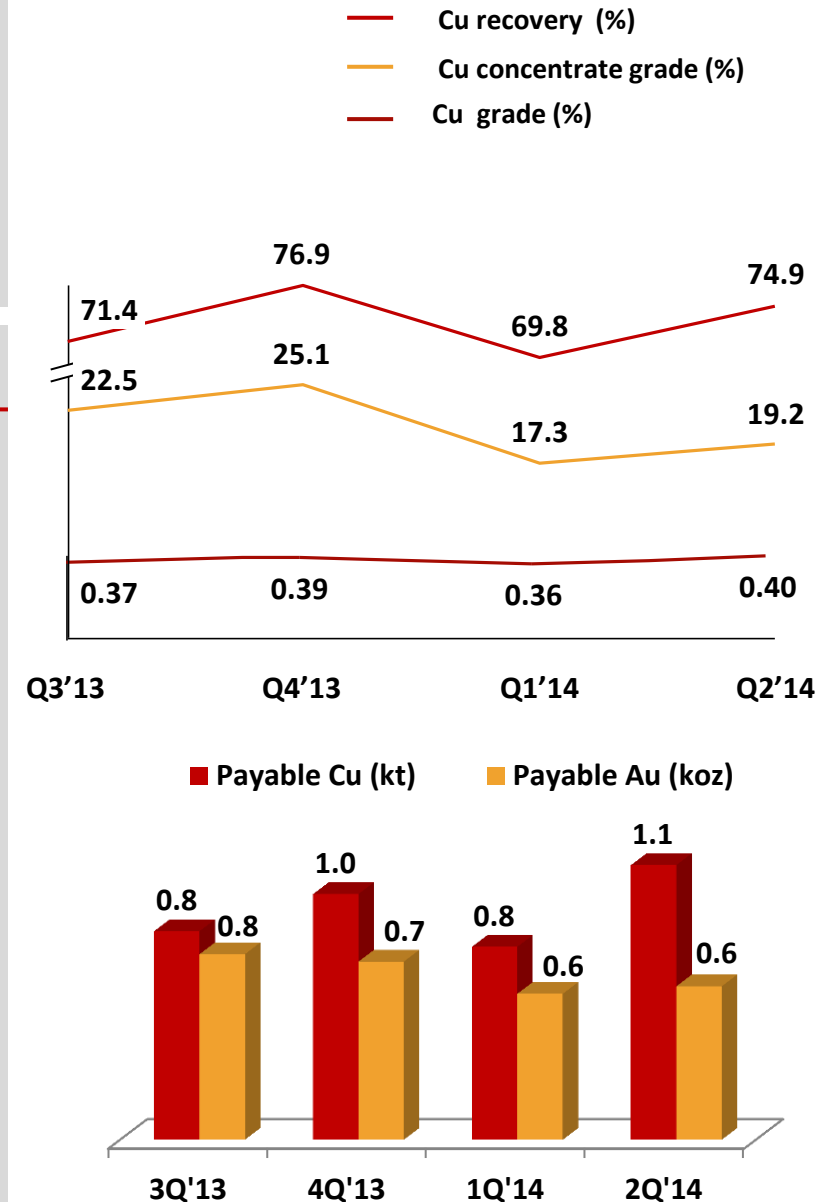
- Positive results from the blending of ore from various pits with varied copper grades
- Improved milling rates and mill utilisation (99.5% in June for second highest month on record)

Current plan (H2 2014)

- Blending strategy:** in the second half of the year, the mine will gain access to the rich ore of lower Ruth East, resulting in improved recovery rates in September and October
- Mill Improvements:** Testing of a new reagent MX-525 in the mill in order to improve recoveries
- Shortening of haulage distances:** continued work in this regard

Expected results

- Ore from the Ruth pit can be blended or sent directly as mill feed to improve recoveries and production
- Potential to improve copper (~0-3%), gold (~0-2%), and moly recovery (~0-10%); increasing payable metal
- As a result of the shortening of haulage distances to waste dumping areas, stripping of Ruth North can be accelerated and costs can be reduced in H1 2015



Strategic priorities of KGHM



Commission the Sierra Gorda mine



**Ensure stable,
high cash flow**



Continue to grow



Development of the global organisation



Further enhance skills

Near-term priorities

- Reach full production
- Prepare Stage 2
- Optimise costs (Opex)

- Value Creation Program (VCP)
- Stabilise employment level
- Maintain stable dividends

- Deep Głogów
- Victoria
- Regional exploration

- Global financing
- Global organisation

- Build skills at all levels
- Program of support for students and graduates

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