



KGHM
POLSKA MIEDŹ S.A.

Company results
H1 2008
(prior to Auditors review)

Presentation for Analysts Meeting
14 August 2008

August 2008

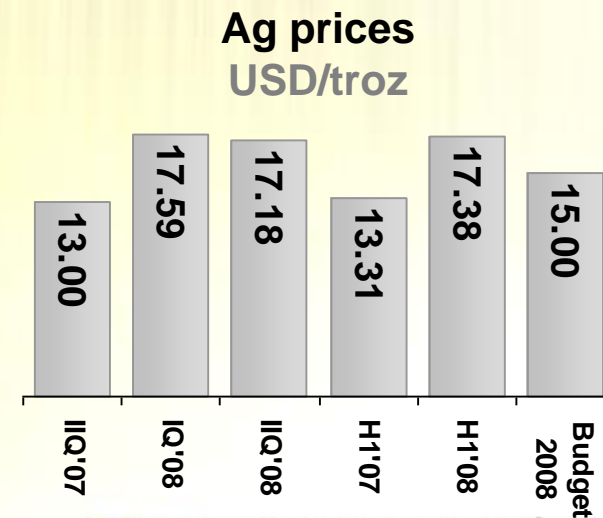
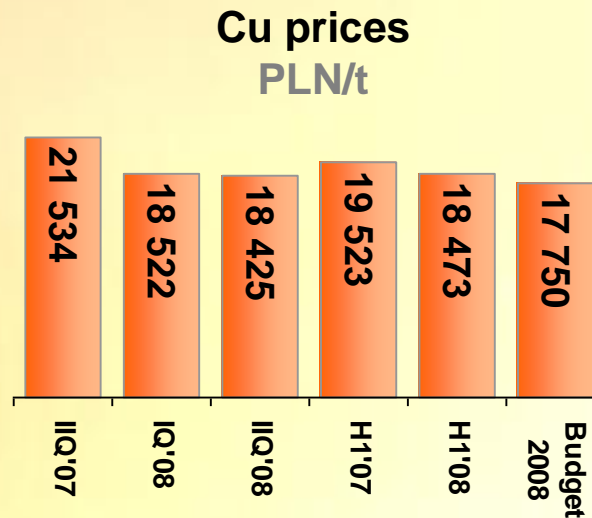
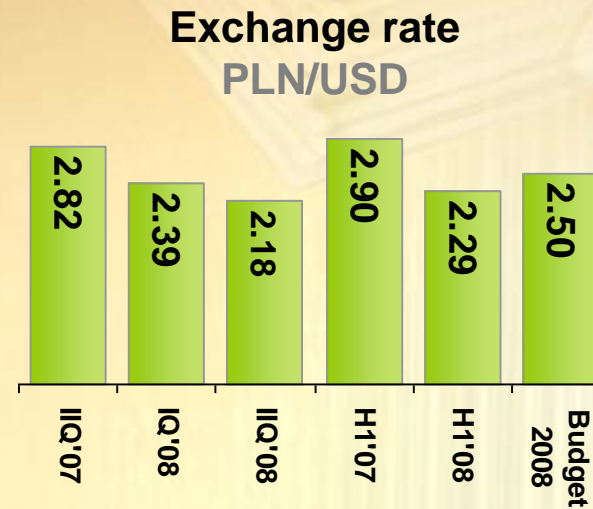
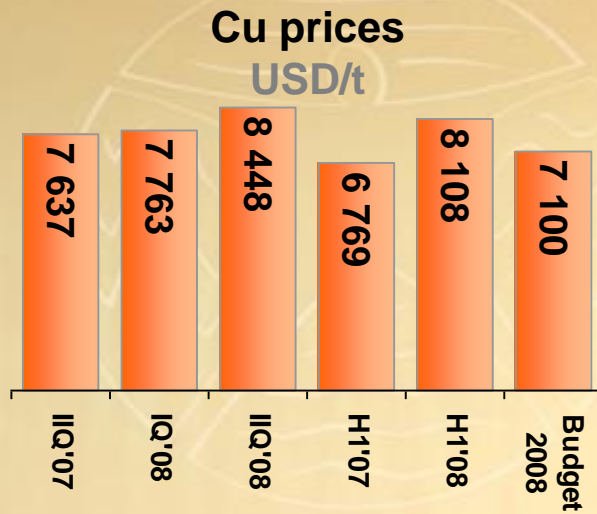
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Consolidated financial result for H1'08 (mPLN)

	Consolidated result H1'07	Consolidated result H1'08	Unconsolidated Result 6M'08	
Revenue from sales	6 468	6 751	6 031	89%
Basic operating costs	4 080	4 515	3 811	
Net profit from sales	2 388	2 236	2 220	
Result on other operating activities	262	272	-26	
Operating profit	2 127	1 964	2 194	112%
Result on financial activities	-15	-25	-18	
Share of profits of associates accounted for using the equity method	122	153	x	
Profit before taxation	2 234	2 091	2 177	
Income tax	408	372	362	
Net profit	1 826	1 719	1 815	106%

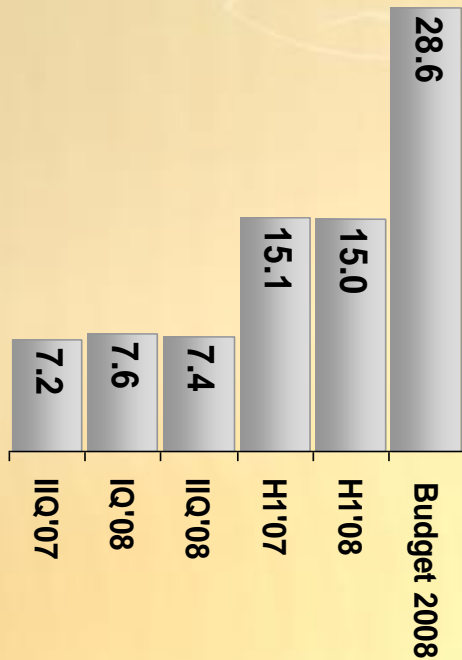
Macroeconomic conditions



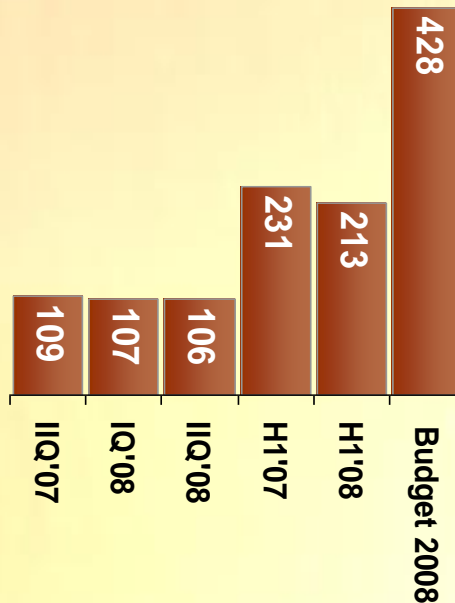
Production results

**Ore extraction
(mt d.w.)**

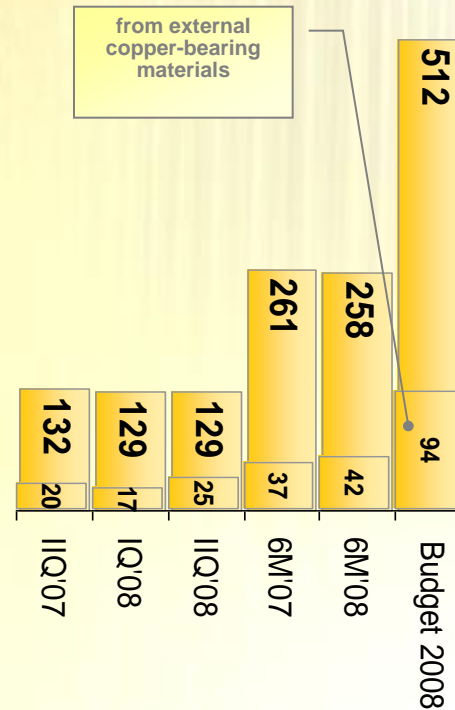
Copper content in ore:
1.70 1.60 1.60 1.71 1.60 1.68



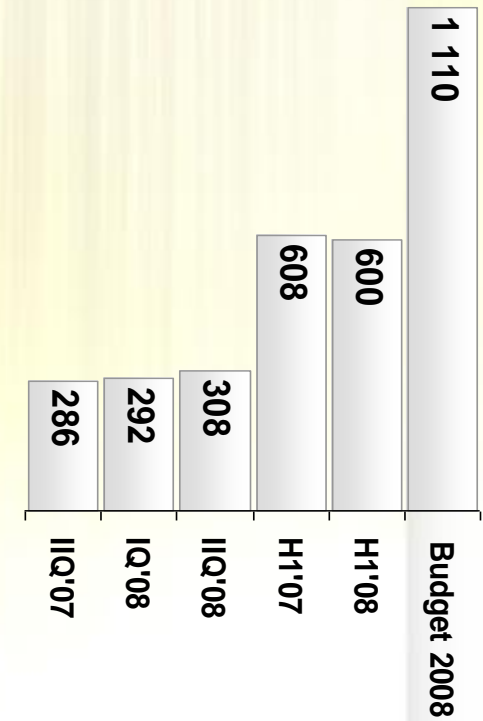
**Copper production
in concentrate
(‘000 t)**



**Electrolytic copper
production
(‘000 t)**



**Metallic silver
production
(t)**



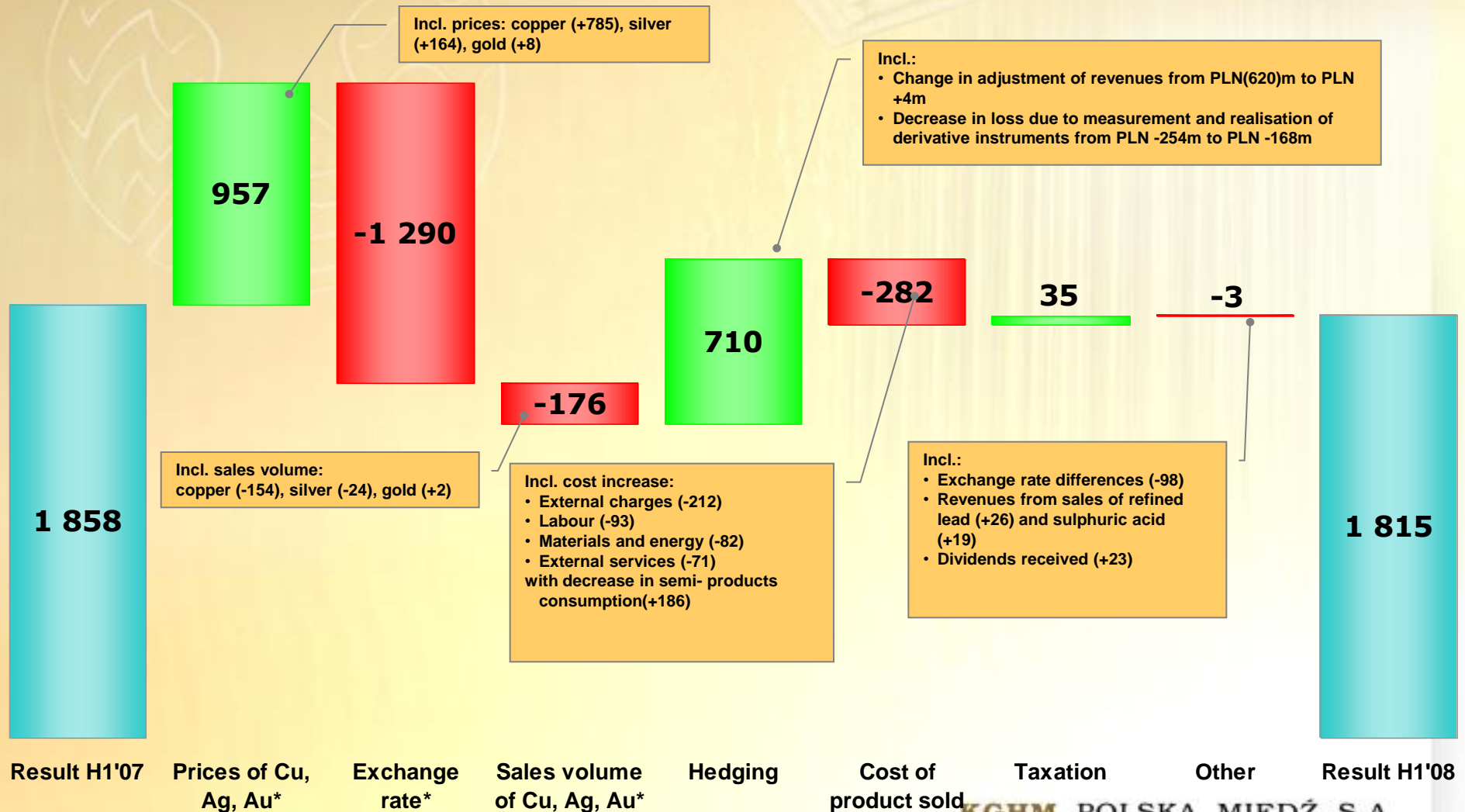
Financial results (m PLN)

	H1'07	H1'08	Change H1'07=100	Budget 2008	Advance on plan %
Revenue from sales	5 860	6 031	103	11 193	54
Including adjustment of revenues by the effects of hedging transactions	-620	4	x	+9	44
Basic operating costs	3 521	3 811	108	7 816	49
Net profit from sales	2 339	2 220	95	3 376	66
Result on financial activities	-72	-26	36	205	-13
Operating profit	2 267	2 194	97	3 582	61
Result on financial activities	-12	-18	150	-27	67
Profit before taxation	2 255	2 177	97	3 555	61
Income tax	397	362	91	651	56
Net profit	1 858	1 815	98	2 904	63
<i>EBITDA</i>	<i>2 471</i>	<i>2 426</i>	<i>98</i>	<i>4 077</i>	<i>60</i>

Financial results (mPLN)

H1'08 versus H1'07

A decrease in net profit by PLN 43m versus the same period last year



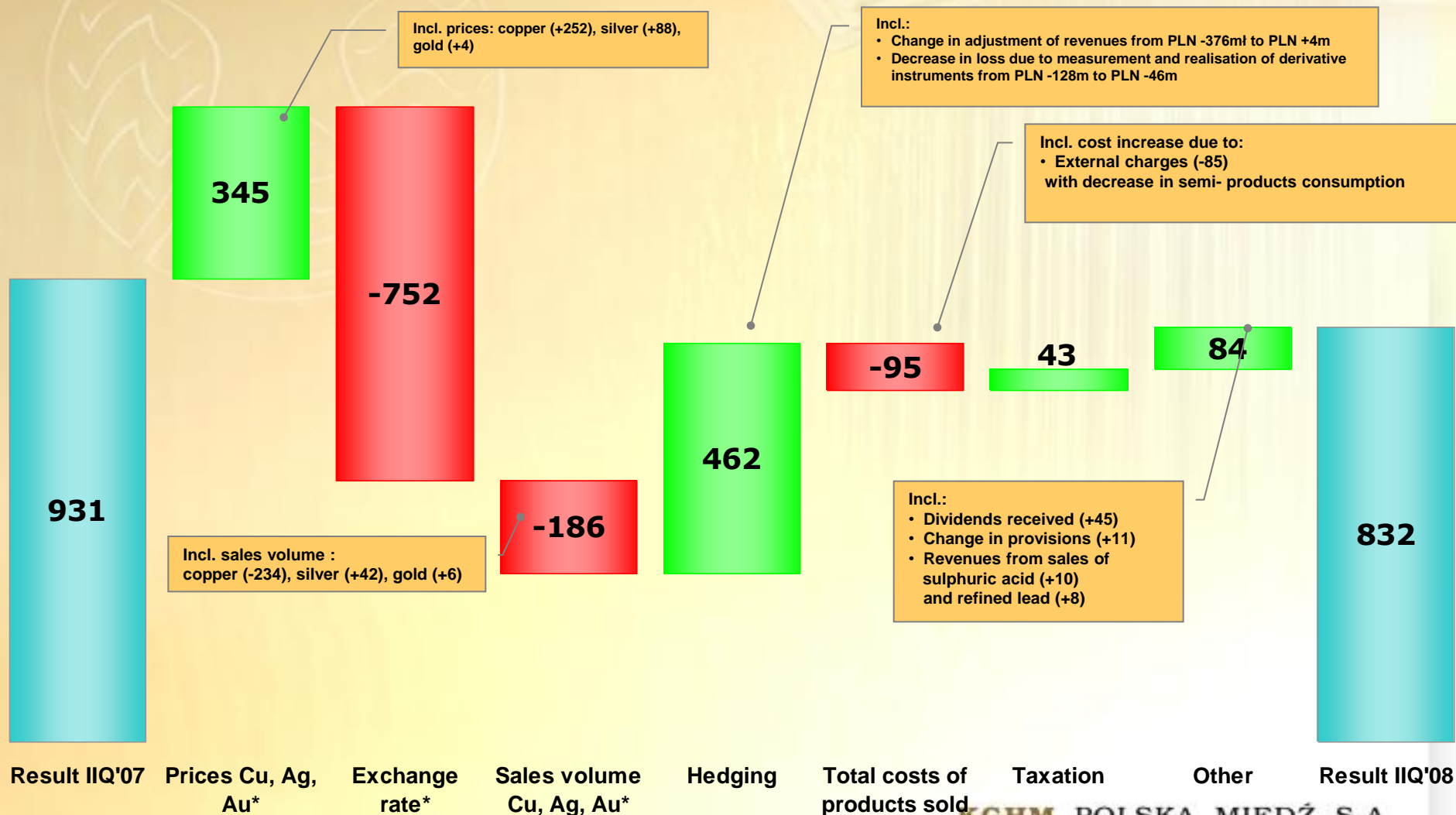
Financial results (mPLN)

	IIQ'07	IQ'08	IIQ'08	Change IIQ'07=100
Revenue from sales	3 217	3 002	3 029	101
Including adjustment of revenues by the effects of hedging transactions	-376	-	4	x
Basic operating costs	1 877	1 836	1 975	108
Net profit from sales	1 339	1 167	1 054	90
Result on other operating activities	-173	1	-27	x
Operating profit	1 166	1 168	1 027	88
Result on financial activities	-6	-9	-8	90
Profit before taxation	1 160	1 158	1 019	88
Income tax	229	176	186	106
Net profit	931	982	832	85
<i>EBITDA</i>	<i>1 270</i>	<i>1 284</i>	<i>1 143</i>	<i>89</i>

Financial results (mPLN)

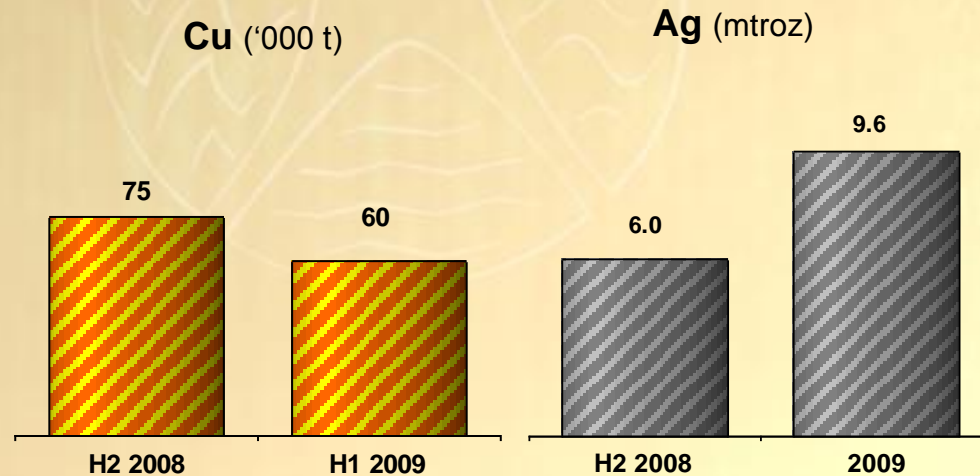
IIQ'08 versus IIQ'07


A decrease in net profit in Q2 2008 by PLN 99 m versus the same period 2007



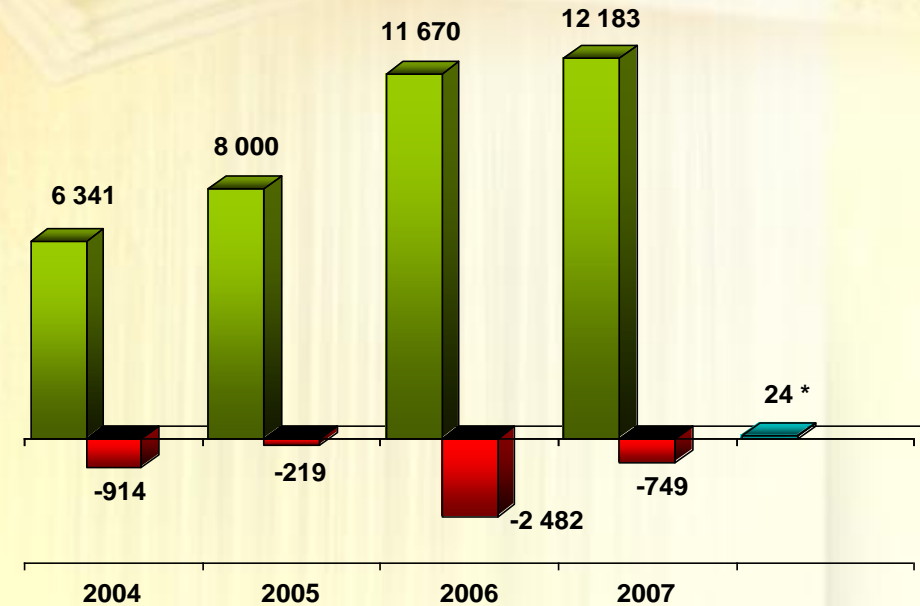
Risk management

Nominal hedged volume – position held at 30 June 2008



 Put options

Revenues & results on hedging transactions (mPLN)

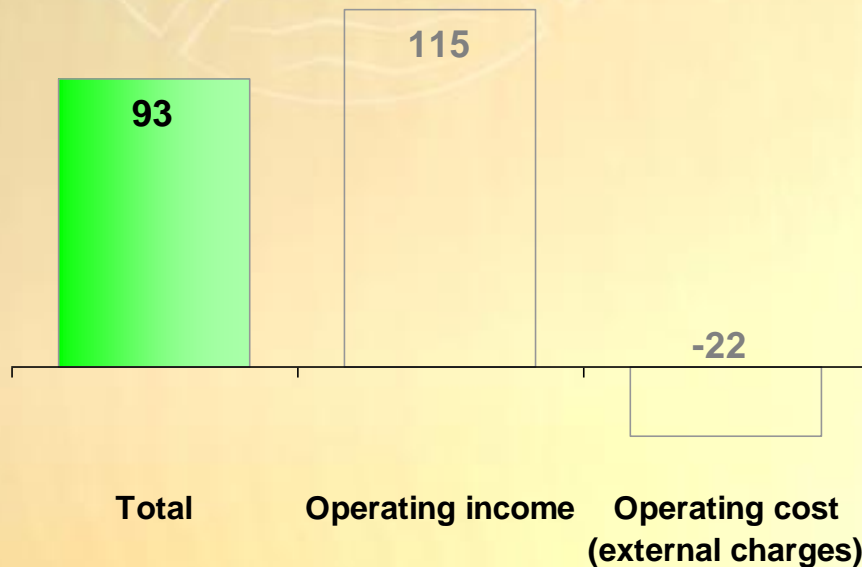


* Fair value of open positions in derivatives at 30 June 2008

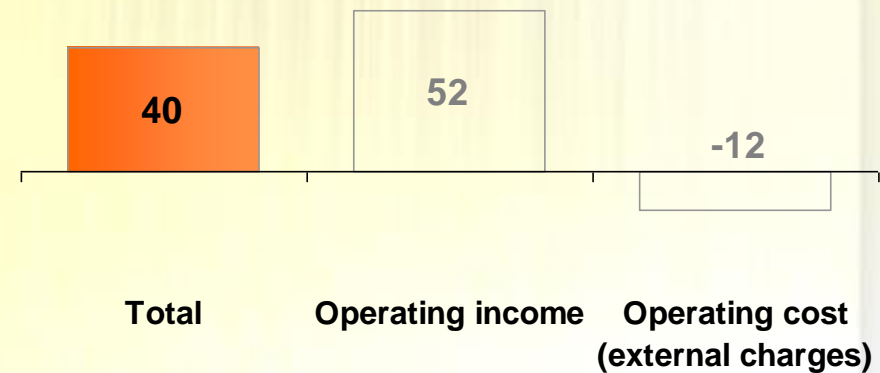
- In H1 2008 the Company hedged 60 000t of copper (put options) – for H1 2009.
- At 30 June 2008 the Company has no open positions in derivative instruments in currency markets.

Sales sensitivity (mPLN)

A change in the average exchange rate by
 PLN 0.05/USD (2.4%)
 in H2 2008 causes a change in profit before
 tax of PLN 93m (PLN 75m net)

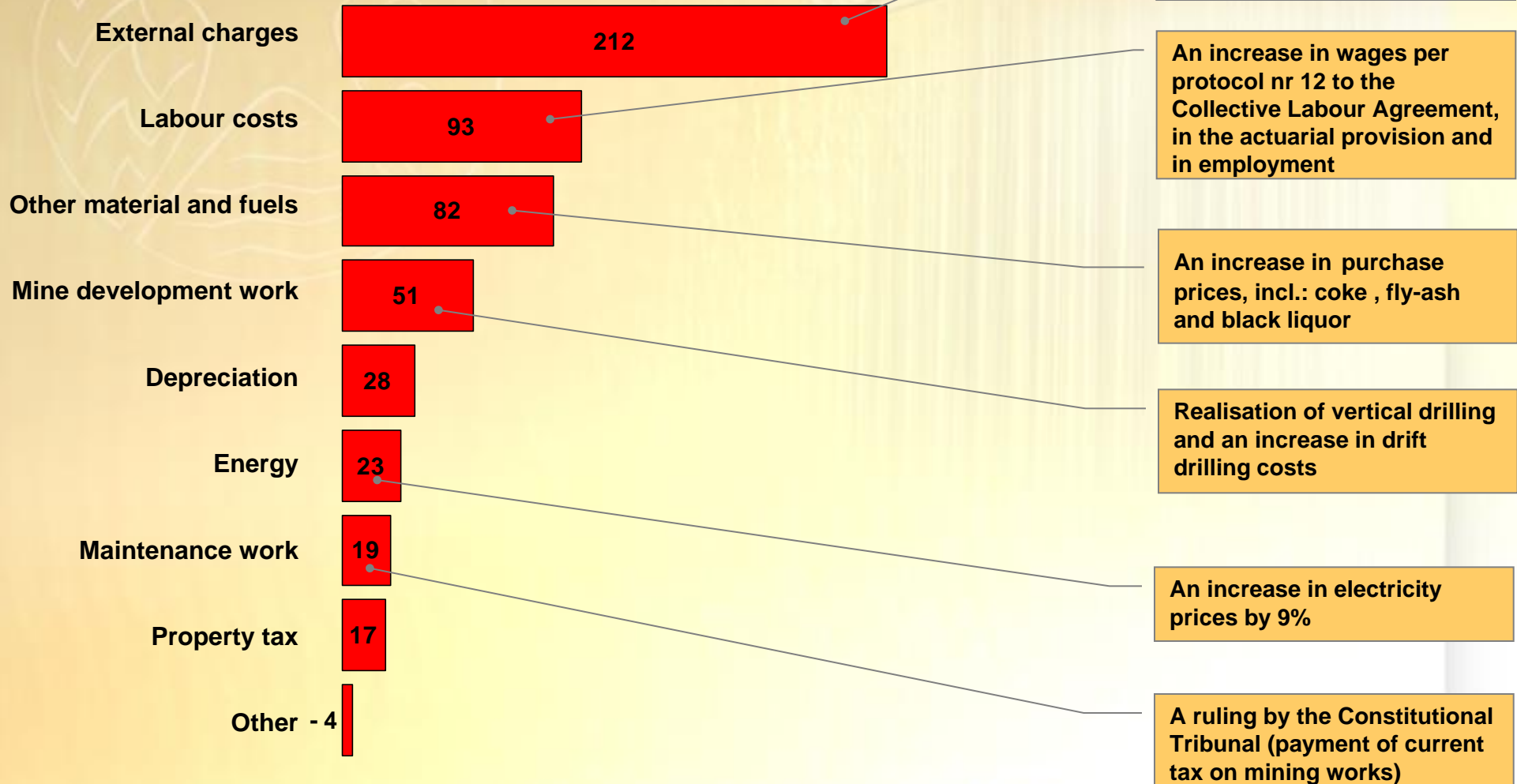


A change in average copper prices by 100
 USD/t (1.3%)
 in H2 2008 causes a change in profit before
 tax of PLN 40m (PLN 33m net)



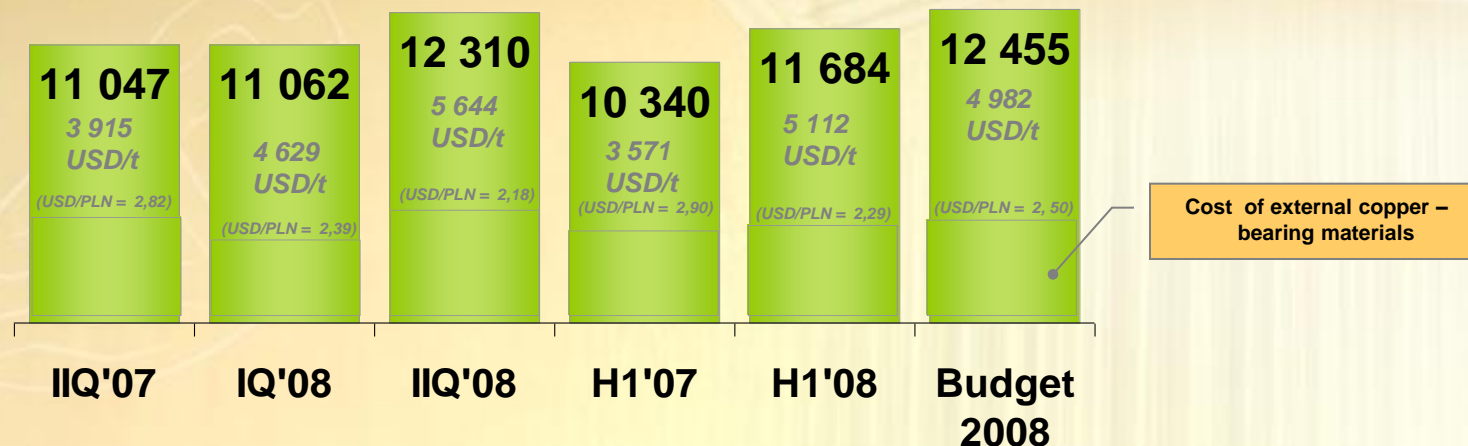
Factors affecting costs by type (mPLN)

An increase in costs by type versus H1'07 by PLN 521m, i.e. by 16%

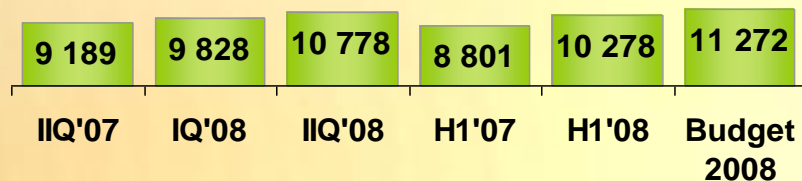


Unit cost of electrolytic copper production (PLN/t)

Unit cost of electrolytic copper production



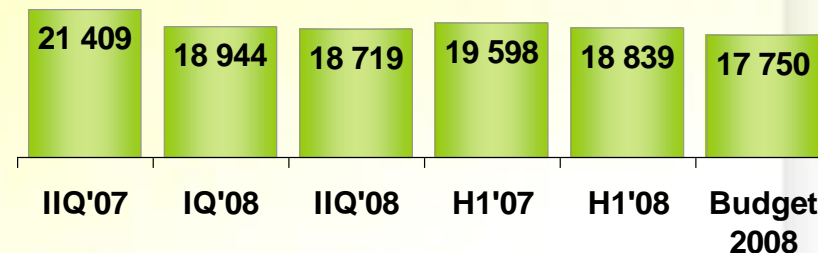
... From internal charges



84.8% 86.5% 80.7% 85.7% 83.6% 81.7%

Share of production from internal charges

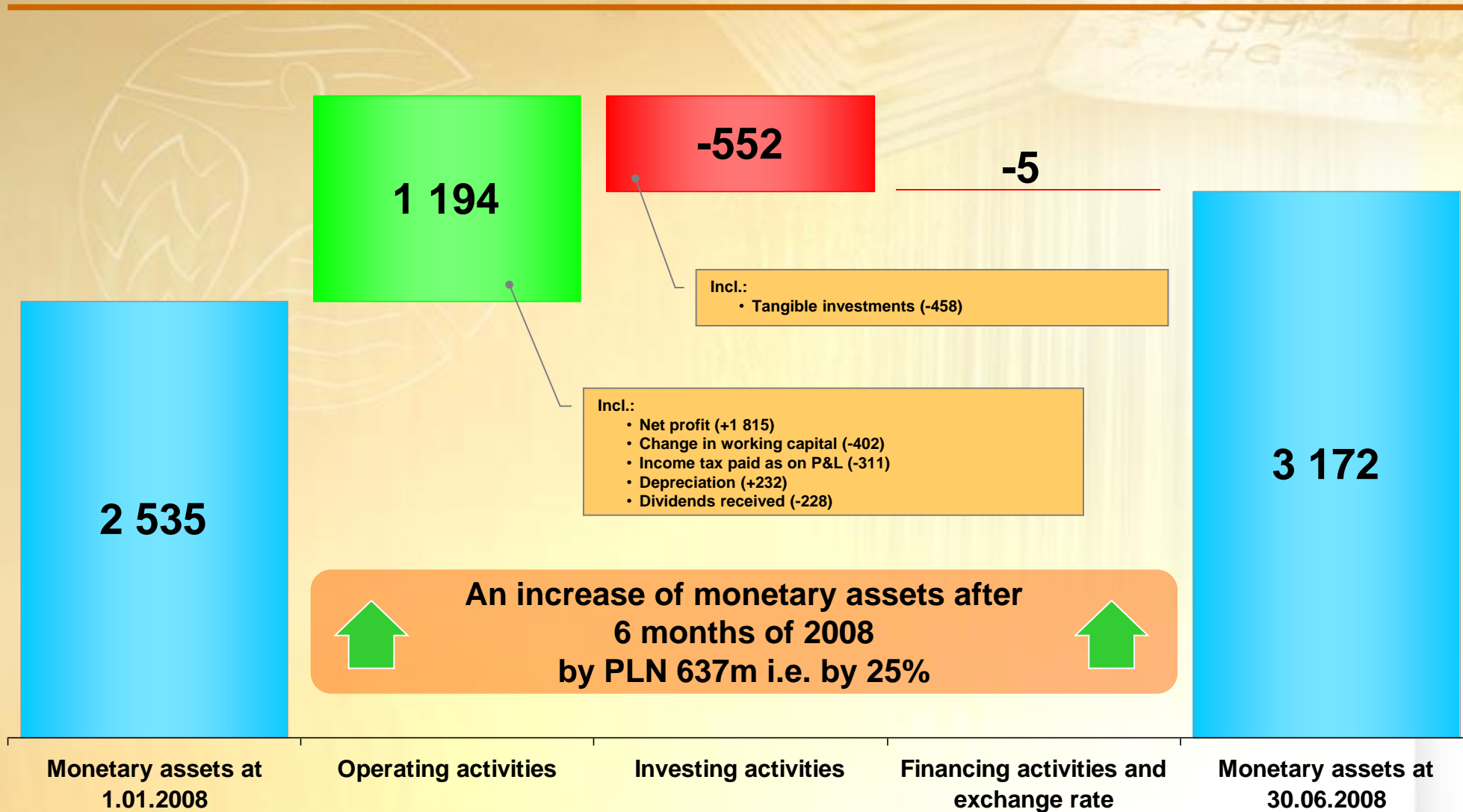
... From purchased copper-bearing materials



15.2% 13.5% 19.3% 14.3% 16.4% 18.3%

Share of production from external charges

Cash flow (mPLN)





Thank you . . .

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