

**Independent Auditors' Review Report on the Interim Consolidated Financial Statements  
for the six-month period ended 30 June 2007**

To the General Shareholders' Meeting and Supervisory Board of KGHM Polska Miedź SA

1. We have reviewed the attached consolidated financial statements of the KGHM Polska Miedź SA Group ("the Group"), for which the parent company is KGHM Polska Miedź SA ('the Company', 'the parent company') located in Lubin, at M. Skłodowskiej-Curie Street 48, including:
  - the interim consolidated balance sheet as at 30 June 2007 with total assets amounting to 14,659,888 thousand zlotys,
  - the interim consolidated income statement for the period from 1 January 2007 to 30 June 2007 with a net profit amounting to 1,812,025 thousand zlotys,
  - the interim consolidated statement of changes in equity for the period from 1 January 2007 to 30 June 2007 with a net decrease of equity amounting to 951,430 thousand zlotys,
  - the interim consolidated cash flow statement for the period from 1 January 2007 to 30 June 2007 with a net cash inflow amounting to 1,258,854 thousand zlotys and
  - the interim explanatory notes('the attached interim consolidated financial statements').
2. The truth and fairness<sup>1</sup> of the attached interim consolidated financial statements prepared in accordance with International Financial Reporting Standards applicable to interim financial reporting as adopted by the European Union ('IAS 34') and the proper maintenance of the consolidation documentation are the responsibility of the Company's Management Board. Our responsibility is to issue a report on these financial statements based on our review.
3. Except for the potential effects, if any, of the matter described in point 5 below, we conducted our review in accordance with the provisions of the law binding in Poland and auditing standards issued by the National Council of Statutory Auditors ('Standards'). These Standards require that we plan and perform our review in such a way as to obtain moderate assurance as to whether the financial statements are free of material misstatement. The review was mainly based on applying analytical procedures to the financial data, review of documentation supporting the amounts and disclosures in the interim consolidated financial statements and discussions with the management of the Company as well as its employees. The scope of work<sup>2</sup> of a review differs significantly from an audit of financial statements, the objective of which is to express an opinion on the truth and fairness<sup>3</sup> of the financial statements. Review provides less assurance than an audit. We have not performed an audit of the attached interim consolidated financial statements and, accordingly, do not express an audit opinion.

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<sup>1</sup> Translation of the following expression in Polish language: "prawidłowość, rzetelność i jasność"

<sup>2</sup> In Polish language two expressions are used ("zakres i metoda") that in English language translation are covered by one expression "the scope of work"

<sup>3</sup> Translation of the following expression in Polish language: "prawidłowo, rzetelnie i jasno"

4. The Company's consolidated financial statements for the period ended 30 June 2006 and for the year ended 31 December 2006 were respectively reviewed and audited by another certified auditor, acting on behalf of another entity. The certified auditor issued a review report dated 16 October 2006 on the consolidated financial statements for the period ended 30 June 2006, and an auditors' opinion dated 13 April 2007 on the consolidated financial statements for the year ended 31 December 2006.
5. The Company holds 100% shares in its subsidiary, Telefonía Dialog S.A. As described in note 7 to the explanatory notes of the attached interim consolidated financial statements, in relation to the fixed assets of the subsidiary included in the attached interim consolidated financial statements, the last impairment loss was recorded as at 31 December 2005. As a result of the impairment test, the carrying amount of fixed assets of the subsidiary was reduced by the general impairment loss amounting to approximately 180,400 thousand zlotys as at that date. The value of the impairment loss remained unchanged as at 31 December 2006 and 30 June 2007. According to International Accounting Standard 36 'Impairment of Assets' ('IAS 36'), estimation of an impairment loss results from comparison of assets' carrying and recoverable amounts.  
In our opinion, the conclusion concerning the unchanged amount of impairment loss was not based on a correct calculation of the recoverable amount, and the results of the calculation should be reassessed. As a consequence, as of the date of this report we are unable to determine the potential effects of the reassessment referred to above as at 31 December 2006 and 30 June 2007.
6. As at 30 June 2007, the Company reported a deferred tax asset amounting to 98,197 thousand zlotys in the attached interim consolidated financial statements. As described in note 22 to the explanatory notes of the attached interim consolidated financial statements, the Group companies determine the probability of future realization of the deferred tax asset based on five-year financial plans and the related projections of tax results, as well as the effectiveness of financial projections in the past. Having regard to the regulations of International Accounting Standard 12 'Income Taxes' ('IAS 12'), the Group companies commenced works aimed at revising their current approach to the estimated recoverability of the deferred tax asset. As of the date of this report, we are unable to determine the results of the above verification which would affect the balance of deferred tax as at 30 June 2007.
7. Except for the potential effects, if any, of the matters described in paragraph 5 and 6 above, our review did not reveal the need for any material changes to be made to the attached interim consolidated financial statements for the said statements to present truly and fairly<sup>3</sup>, in all material respects, the financial position of the Group as at 30 June 2007 and its financial result, for the 6-month period ended 30 June 2007 in accordance with IAS 34.
8. Without further qualifying our report, we draw attention to the following matter:

As described in more detail in note 17 to the explanatory notes of the attached interim consolidated financial statements, as at 30 June 2007 the Group reported share capital amounting to 2,000,000 thousand zlotys. The above amount does not include effects of revaluation of share capital resulting from application of International Accounting Standard 29 'Financial Reporting in Hyperinflationary Economies' ('IAS 29'). Based on the resolution no. 31/2005 dated 15 June 2005 of the General Meeting of the Company's Shareholders, in the Company's consolidated financial statements, the results of share capital revaluation have been transferred to the consolidated retained earnings. As a consequence, the share capital reported as at 30 June 2007 in the interim consolidated financial statements differs from the share capital reported in the standalone interim financial statements of the Company as at that date.

As pointed out in note 17 to the explanatory notes of the attached interim consolidated financial statements, on 18 October 2007, the Company's Extraordinary Meeting of Shareholders resolved to waive the resolution no. 31/2005, and to reduce share capital by transferring the results of the revaluation to reserve capital in the financial statements of the parent company, and in consequence, in the consolidated financial statements of the Group.

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Warsaw, 18 October 2007