

## **Initial Public Offer**

In June 1997 a public offer was made for the shares of KGHM Polska Miedź S.A., in which the Polish State Treasury offered 72 000 000 shares of the Company, comprised of a domestic tranche and a foreign tranche:

### **1. Domestic tranche**

30 000 000 shares of KGHM Polska Miedź S.A., including:

- 14 000 000 shares for institutional investors at PLN 21 each,
- 16 000 000 shares for retail investors at PLN 19 each.

During the period from 30 June 1997 to 4 July 1997, under the domestic tranche a total of 197 887 orders were taken for the shares of KGHM Polska Miedź S.A. for a total of 75 730 875 shares.

On 6 July 1997, 14 000 000 shares were allocated to Institutional Investors.

On 7 July 1997, 16 000 000 shares were allocated to Retail Investors.

The number of orders given is not necessarily the same as the number of persons who submitted orders.

### **2. Foreign tranche**

The shares offered under the Foreign Tranche were the basis for the issuance of Global Depositary Receipts. Under the Foreign Tranche 35 000 000 shares were offered, at a price of PLN 21 per share. 369 offers were taken for 185 944 660 shares.

Global Depositary Receipts were allocated amongst 206 investors, at a price of USD 12.87 per GDR, with each Global Depositary Receipt representing two shares of the company.

In addition, the Global Coordinators took advantage of the option granted to them by the Polish State Treasury to acquire an additional 7 000 000 shares of KGHM Polska Miedź S.A. under the so-called Green Shoe option, and on 13 August 1997 they acquired 732 200 shares of the company.

As a result of this transaction, the total number of shares of KGHM Polska Miedź S.A. sold under the Initial Public Offer under the Foreign Tranche amounted to 35 732 200 shares.

## **Employee shares**

In accordance with the Act on Privatisation, 30 000 000 shares of the company were granted free of charge to entitled employees. These shares were blocked from trading for a period of two years, and in the case of shares granted to Members of the company's Management Board, three years.

The shares of the company debuted on the Warsaw Stock Exchange on 10 July 1997. On the same day the Global Depositary Receipts representing the shares of KGHM Polska Miedź S.A. debuted on the London Stock Exchange. The Depositary Bank for the GDR program of the company was initially Citibank N.A., and subsequently, starting from 12 December 2000, this role was filled by Deutsche Bank Trust Company Americas. The Global Depositary Receipts program ended on 22 December 2009.

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In subsequent years the State Treasury granted 5 200 000 shares to PZL-Świdnik S.A., 10 500 000 shares to PKO BP S.A. and 5 000 000 shares to Kompania Węglowa S.A., and additionally 20 000 000 shares were sold to qualified investors on a regulated market.

Currently the State Treasury holds 63 589 900 shares of the Company, representing 31.79% of the share capital (based on an announcement dated 12 January 2010). The remainder is held by Polish and foreign shareholders, the so-called „free float”.