



KGHM

POLSKA MIEDŹ S.A.

Company results for Q1 2009

*Presentation for Analysts Meeting
15 May 2009*

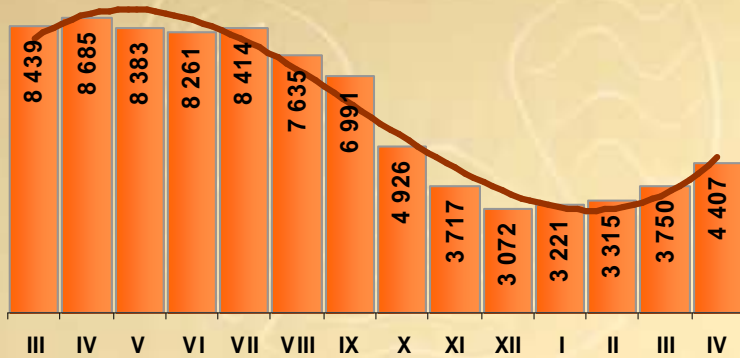
May 2009

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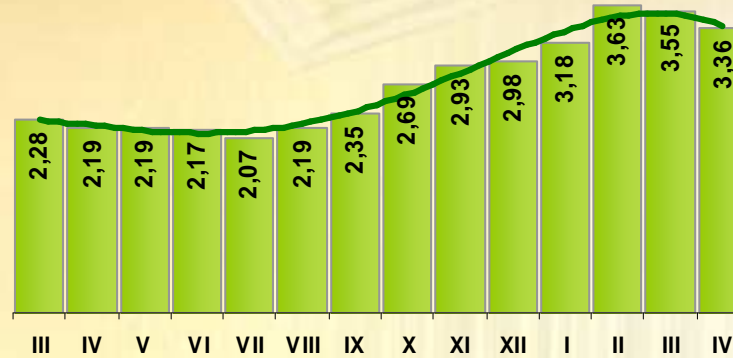
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Macroeconomic conditions

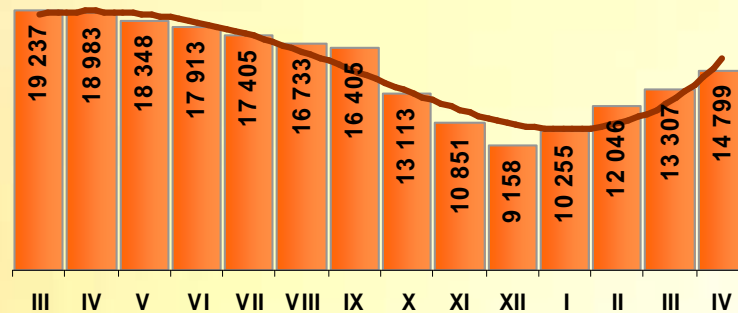
Copper price
USD/t



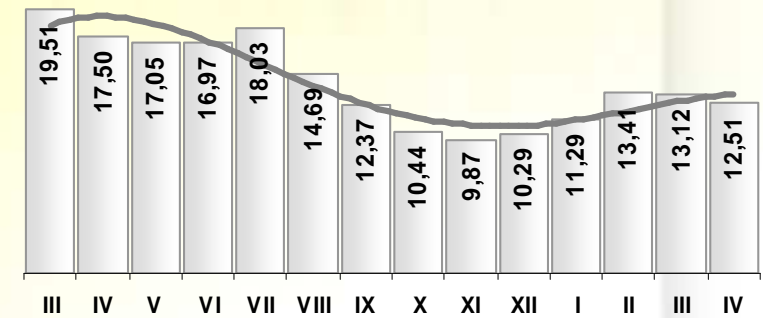
Exchange rate
PLN/USD



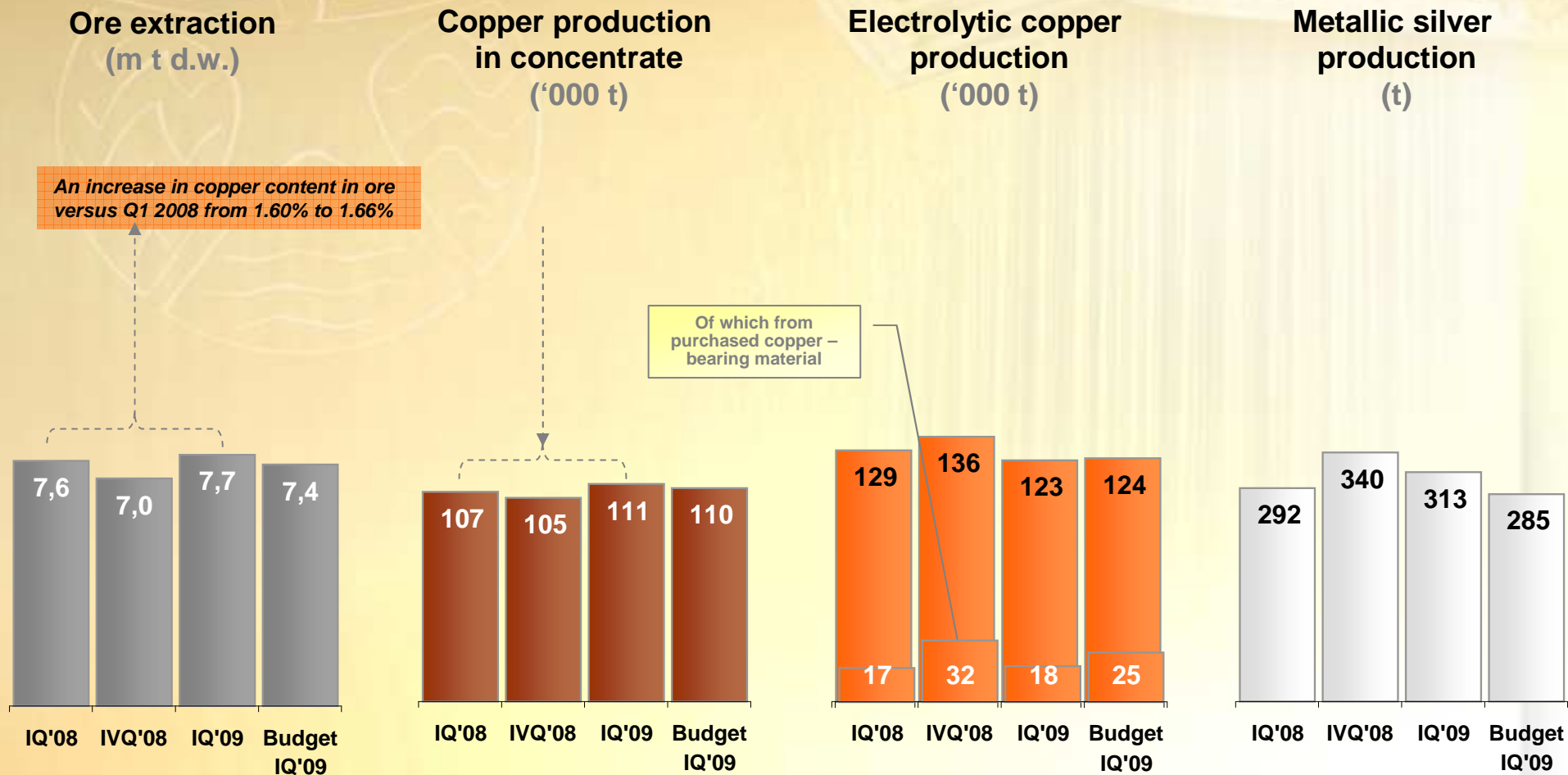
Copper price
PLN/t



Silver price
USD/troz



Production results



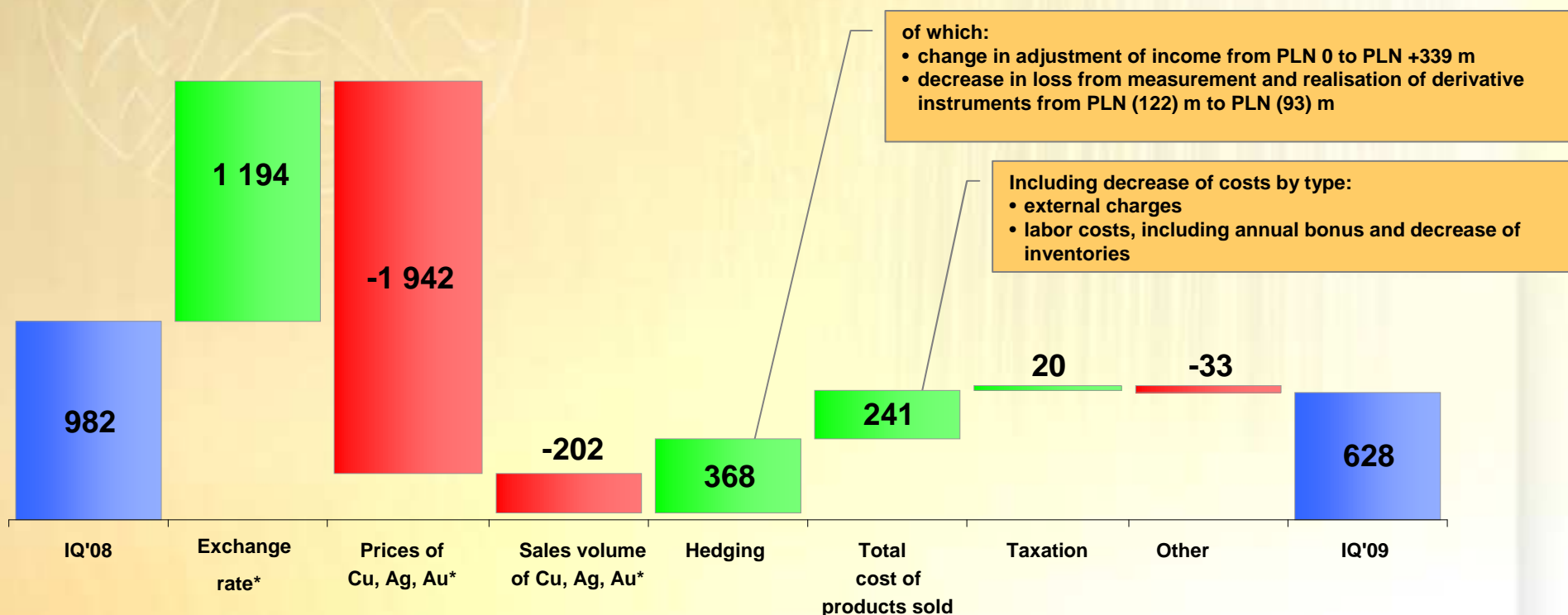
Financial results (mPLN)

	IQ'08	IVQ'08	IQ'09	Budget 2009	Real. (%)
Sales	3 002	2 552	2 377	7 048	34
<i>Incl. adjustment of revenues due to hedging transactions</i>	0	569	339	340	100
Operating costs	1 836	2 117	1 595	6 807	23
Net profit on sales	1 167	435	782	241	324
Result of other operating activities	1	71	14	294	5
Operating profit	1 168	506	796	535	149
Result on financing activities	-9	-14	-13	28	x
Profit before tax	1 158	492	784	507	155
Taxation	176	104	156	19	836
Profit for the period	982	388	628	488	129
<i>EBITDA</i>	1 284	638	929	1 085	86

Financial results (m PLN)

IQ'09 versus IQ'08

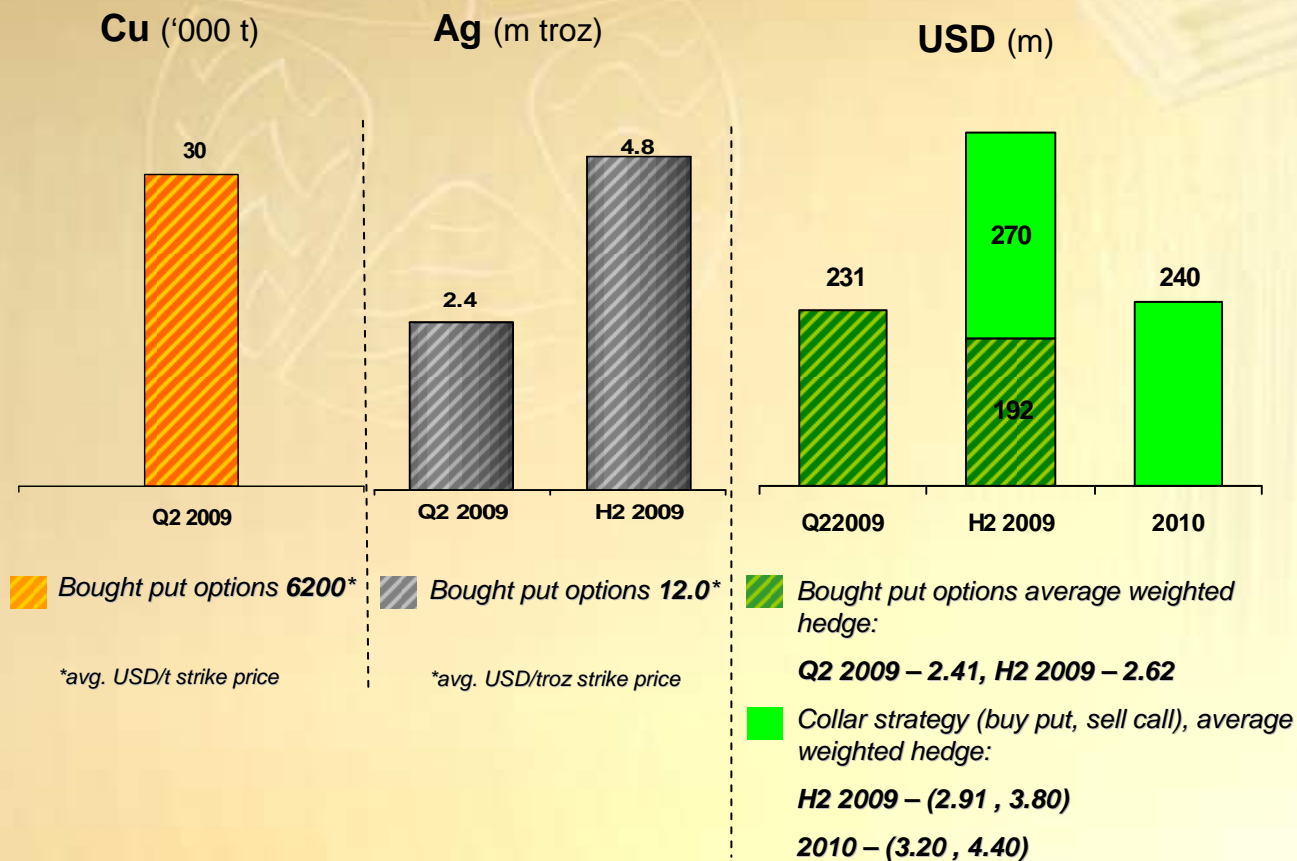
A decrease in net profit by PLN 354 m versus comparable period of prior year



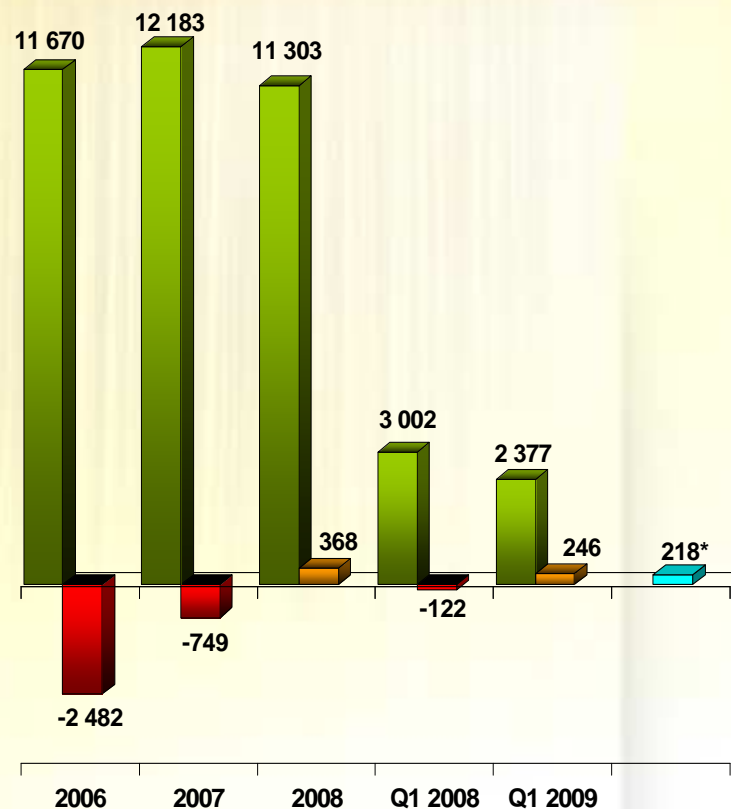
* Effect on revenues from product sales

Risk management

Hedging by segment
(at 31 March 2009)



Results on hedging transactions and
Company revenues (mPLN)

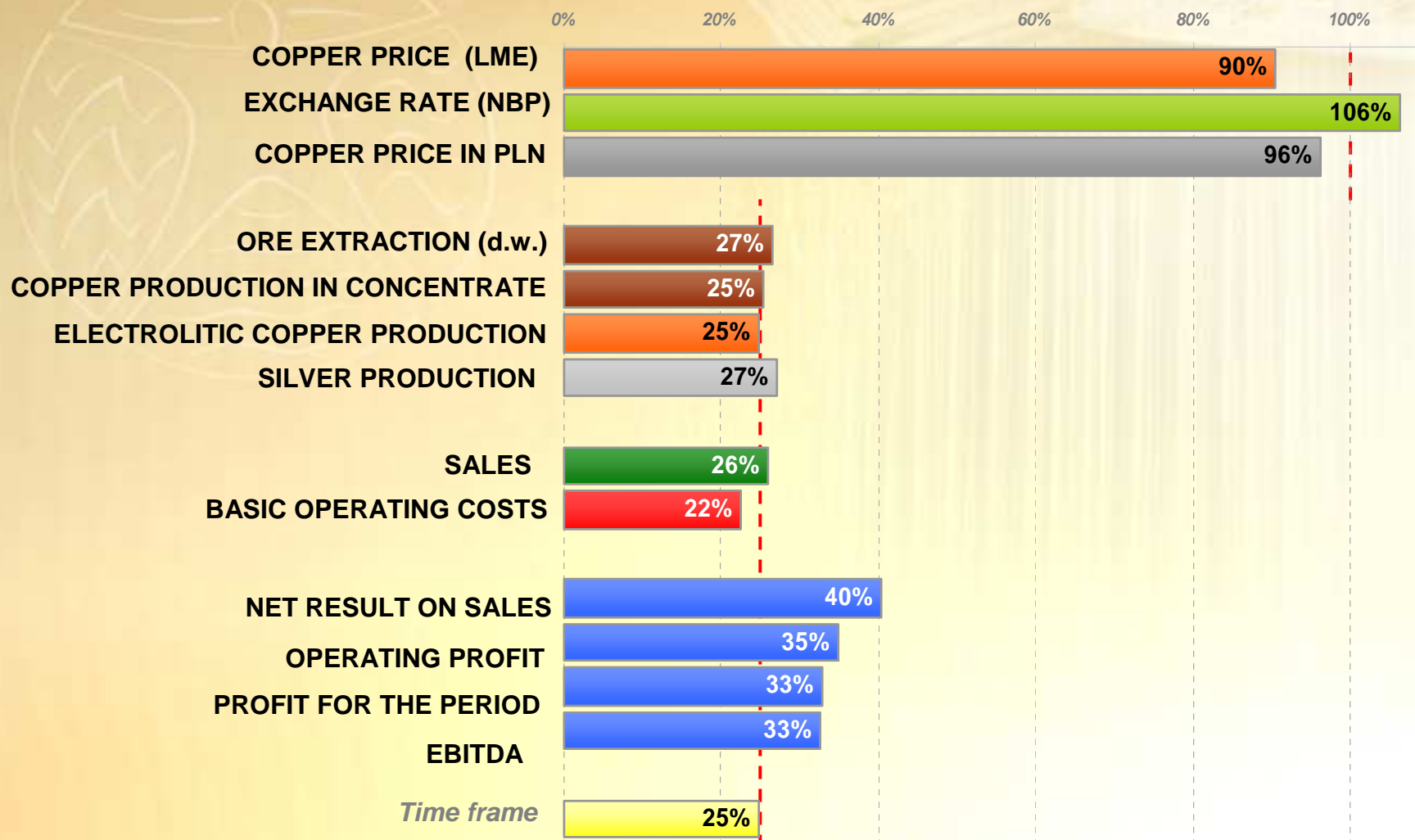


* Fair value of open derivatives at 31 March 2009.

In Q1 2009 the result on derivatives was **PLN 246 m.**

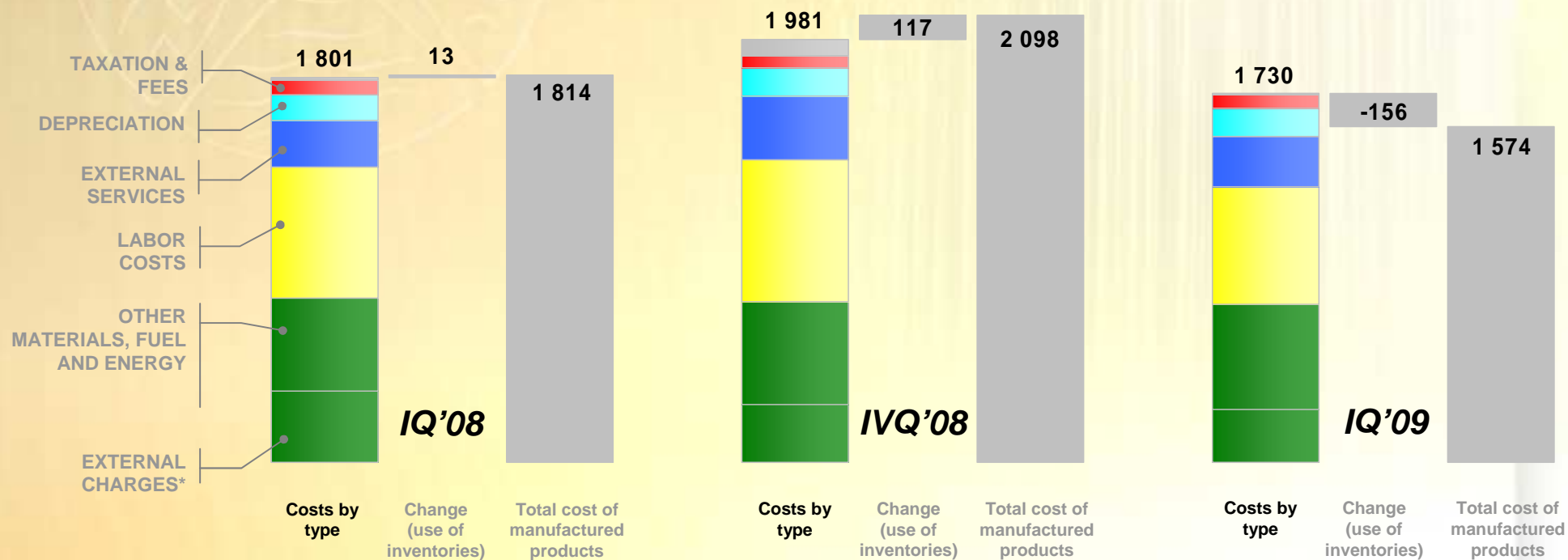
The measurement of open derivative positions amounts to **PLN 218 m.**

Financial forecast execution*



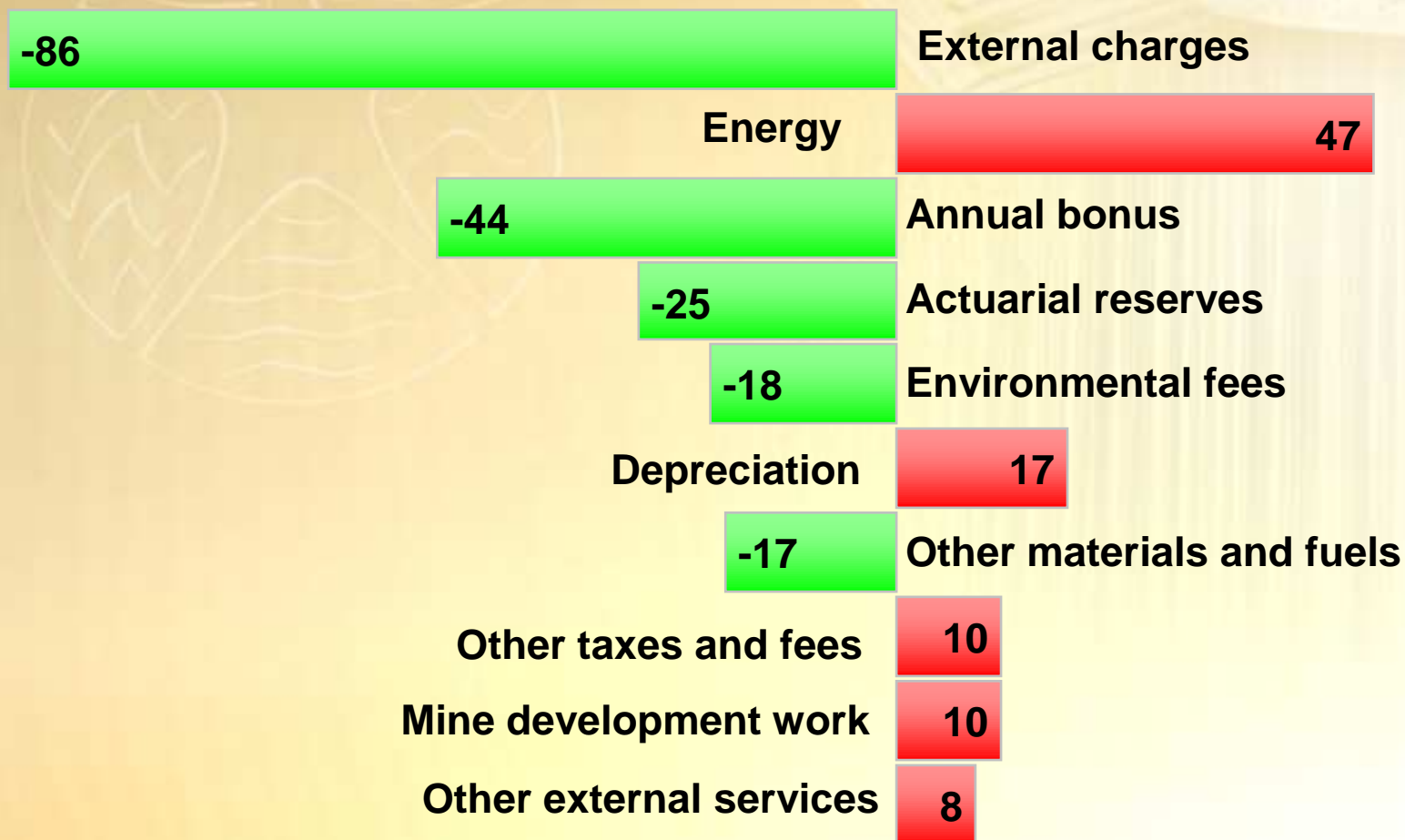
Cost by type (m PLN)

A decrease in costs by type versus Q1 2008 by PLN 72 m, or 4%
A decrease in costs by type versus Q4 2008 by PLN 251 m, or 13%



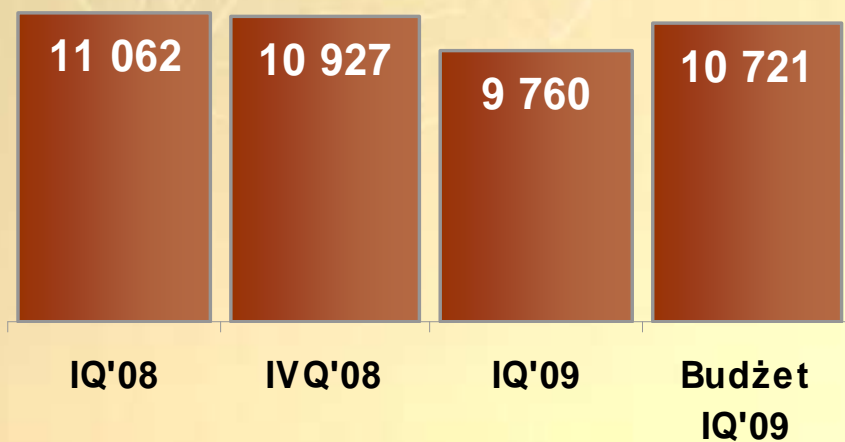
Change of costs by type (mPLN)

IQ'09 versus IQ'08

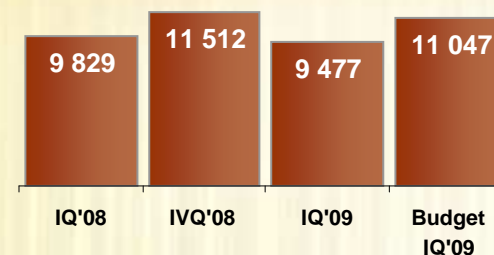


Unit cost of electrolytic copper production (PLN/t)

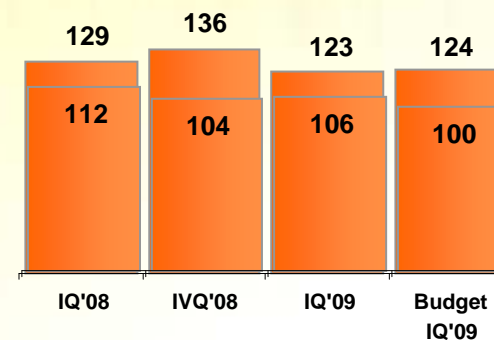
Unit cost of electrolytic copper production



Unit cost of electrolytic copper production from internal charges

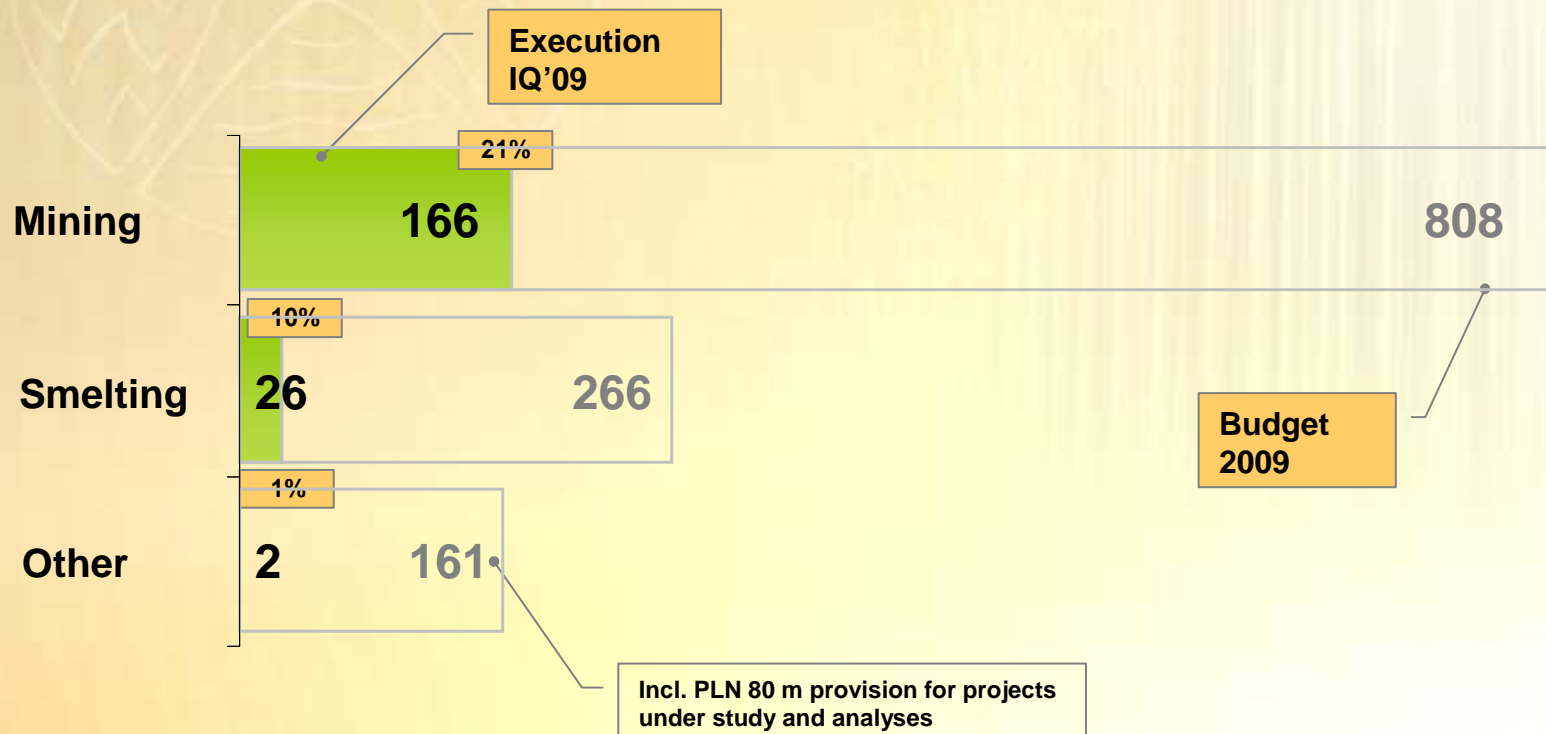


Total production of electrolytic copper production and from internal charges ('000 t)

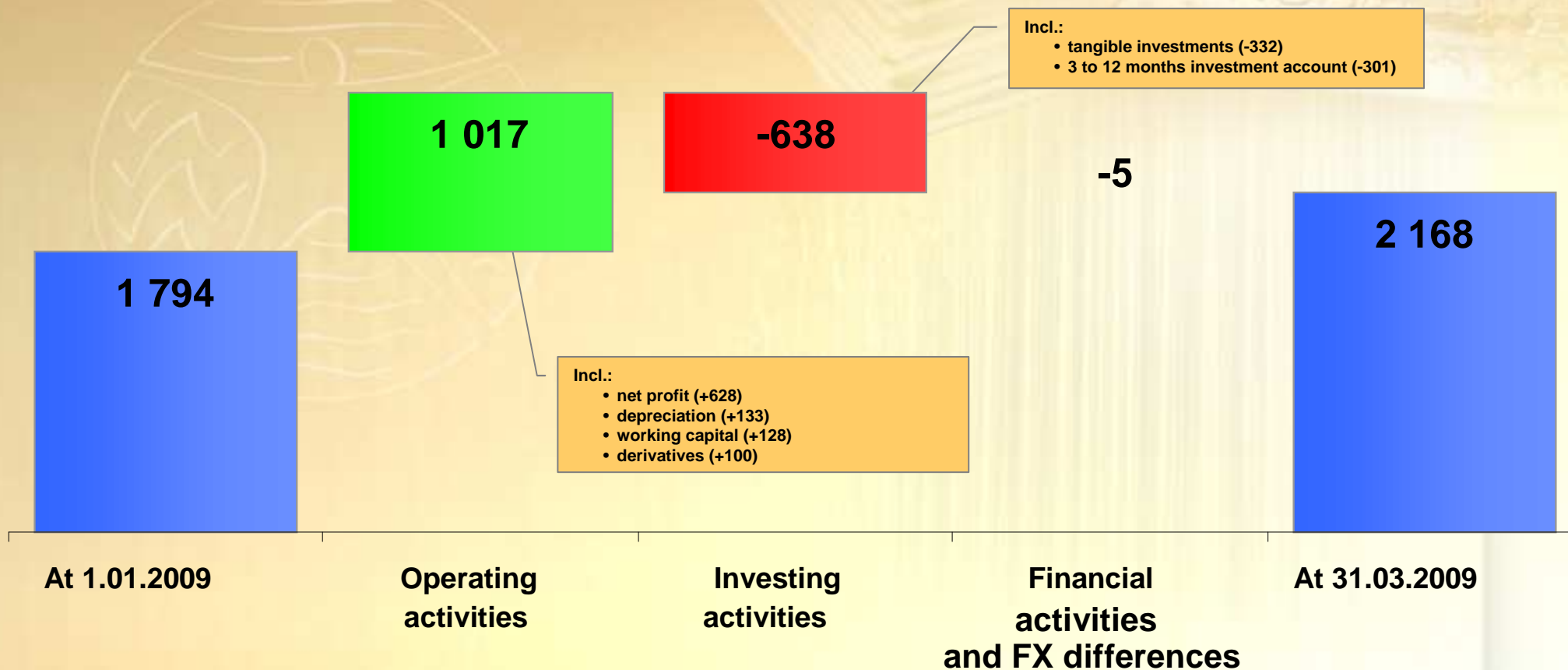


Realisation of investment plan (m PLN)

In Q1, 16% of the tangible investment plan (PLN 194 m) was realised out of PLN 1 235 m planned for 2009



Cash flow (m PLN)



Monetary assets in Q1 2009
 increased by PLN 374 m, or 21%

Updating of financial results

(in brackets: assumption for the Company Budget 2009 – announced 23 February 2009)

Revenues from sales: PLN 9 065 m (PLN 6 953 m)

Net profit: PLN 1 906 m (PLN 488 m)

The updated financial projections take into account:

**Company results in
Q1 2009**

**Copper price:
3 800 USD/t (3 200 USD/t)**

**Silver price:
12.60 USD/troz (10.00 USD/troz)**

**Exchange rate:
3.25 USD/PLN (2.90 USD/PLN)**

**Electrolytic copper
production:**

496 '000 t (513 '000 t)

**From external charges:
81 '000 t (96 '000 t)**

Despite an improvement in macroeconomic factors, there continues to be high volatility in copper prices and in the USD/PLN exchange rate on the financial markets, meaning that the financial results of the Company are characterised by high uncertainty.

In Q2 2009 the Company will start work on updating the Company Budget for 2009, taking into account current macroeconomic conditions, production plans and investment spending

Effectiveness Program

- **A review of the Company's major activities has been carried out.**
- **Implementation of the Effectiveness Programu will require work in 73 areas**
- **A transformation program is planned, which will begin with pilot projects throughout the entire production process**
- **Based on this review, the estimated potential to increase effectiveness is approx. PLN 700-800 million**
- **The main identified factors for leveraging effectiveness result from an increase in total production and optimisation of costs.**
- **Implementation of this program will last approx. two years**

Consolidated financial result (m PLN)

Company results IQ 2009

	Consolidated results			Parent Results	
	IQ'08	IVQ'08	IQ'09	IQ'09	
Sales	3 340	2 835	2 620	2 377	91%
Operating costs	2 151	2 658	1 825	1 595	
Net profit on sales	1 189	177	795	782	
Result of other operating activities	-180	147	39	14	
Operating profit	1 009	324	834	796	95%
Net financing cost	-12	-18	-16	-13	
Share in profits of Associates valued by the equity method	71	34	52	x	
Profit before tax	1 067	340	870	784	
Taxation	189	87	165	156	
Profit for the period	877	253	705	628	89%
EBITDA	1 173	508	1 013	929	92%

Share of Parent in consolidated results

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Thank you . . .

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